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Strategic Insights into Sport Sponsorship

by

Timothy Berrett ©

A thesis submitted to the Faculty of Graduate Studies and Research in partial
fulfillment of the requirements for the degree of Doctor of Philosophy.

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Abstract

The broad purpose of this dissertation was to investigate a variety of strategic management issues associated with the corporate sponsorship of sport. Two primary data-sets were developed from interviews with managers responsible for both the acquisition and distribution of sponsorship resources. The first was derived from interviews with executives in thirty-four Canadian national sport organisations (NSOs). The second was created from interviews with sponsorship managers in twenty-eight Canadian-based corporations.

In the first of the study's three parts, the factors which lie behind the ability of NSOs to generate funding from corporations are examined. The amount of media coverage of an NSO's properties and the organisation's participation base are found to be the two primary influences on the success of its sponsorship efforts. Five strategic types of NSO are identified, based on the relative levels of each of these two factors. Even when similar environments (as measured by media exposure and participation levels) are controlled for, there is considerable variation among the success of different NSOs in generating sponsorship. Two other sets of factors are found to contribute to explaining these differences: structural elements of NSOs, and strategic initiatives undertaken by NSOs.

The second part of the study involves an investigation of sponsorship from the perspective of corporate executives in a context of broader strategic management issues. It is proposed that in order to understand sponsorship, it is necessary to situate it in terms of corporate and business level strategies. It is shown that a synergy between sponsorship and organisational strategy has a strong influence on the success of this form of promotion. In addition, assorted types of organisational strategy are shown to have different effects on the sponsorship behaviour of firms.

This relationship between sponsorship and strategy is extended in the third part which provides an assessment of how the operations of other organisations and actors influence both a

corporation's decision to sponsor, and the type of sponsorship which is chooses. In this part, the impact of both competitive and institutional influences on corporate decisions and behaviour in the area of sponsorship are investigated.

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CHAPTER 1
Introduction

Since the passage of the Fitness and Amateur Sport Act, Bill C-131, amateur sport in Canada has been the recipient of a substantial amount of federal government funding. In fact, the Canadian government's spending on amateur sport increased from $1 million in 1961 to approximately $50 million in 1994. Starting in 1987, though, both the real and nominal contributions of the federal government to Canada's amateur sport system began to diminish (Canada, 1992). Despite the rapid growth of government spending on sport, there have been numerous calls for a reevaluation of the role of the state in providing funds for national amateur sport organisations (NSOs). Other publicly provided services, such as education and health, which are traditionally viewed as being more important than amateur sport have experienced severe reductions in government funding. Therefore, it is not particularly surprising that greater emphasis is now being placed on non-government funding to support the programmes offered by NSOs.

The origins of the thrust toward increasing the amount of private sector financial support for NSOs can be traced back to 1979 when the first Minister of State for Fitness and Amateur Sport, Iona Campagnolo (a Liberal), hinted that non-government sources of funding should be investigated as a means of providing increased financing for NSOs (Macintosh, Bedecki, & Franks, 1987). Perhaps illustrating the proximity of the philosophies of the Liberal and Progressive Conservative parties of Canada, Otto Jelinek (a Conservative) believed that his government could increase amateur sport funding "without hitting the taxpayer" (Christie, 1984, p.S1) when he became Minister of State for Fitness and Amateur Sport in 1984. A year later, it was reported that Jelinek had "stated numerous times in speeches [that] the Government hopes to persuade its champion - private enterprise - to kick in millions of dollars for amateur sport" (Fisher, 1985, p.S1). Harvey (1988) suggested that the 1986 Nielsen Task Force on Program Review (Canada, 1986) provided the first documentary evidence of a policy of re-commodifying sport and leisure. This report was the first federal government document which broached the idea of applying more market-oriented concepts to the delivery of fitness and sport programs. Subsequent government task force committees have reiterated the recommendations of the Nielsen report by also proposing that the financial role of the state in providing a sport system at the national level should be reduced, and that the slack should be taken up by the private sector (Canada, 1988; Canada, 1992). These suggestions have recently become realities. In fact, the

$50 million injected by the federal government into amateur sport in 1993 had fallen by 20 per cent by 1995 (Taylor, 1994).

These reductions in public support for sport reflect the growing pressure on the federal government to limit public spending in many areas. This pressure has increased considerably in the 1980s and 1990s when right wing political strategists and policy makers have questioned the hitherto unchallenged expansion of the welfare state and its attendant social programs in western democracies. With increasing scrutiny of the spending of public money, some services which were once deemed worthy of public support have been privatised or deregulated and opened to market competition. As Harvey (1988) noted of the social services provided by voluntary associations, "because of the current fiscal crisis, the welfare state has tended to discharge more and more of its responsibilities to these private groups and to turn over certain services to private enterprise" (p.319). Other services, such as sport and recreation, are witnessing decreases in the real level of public support with no corresponding reductions in public expectations regarding the quality of the product or service being provided[1]. This is particularly so in the case of NSO high performance programmes. For example, despite having decreased the real level of financial support provided to individual athletes under Sport Canada's Athlete Assistance Programme since 1984, there has been no corresponding reduction in required performance standards for athletes to qualify for such support.

Recommendations regarding the non-governmental funding of Canadian amateur sport were formalised in the federal Task Force report, Toward 2000 (Canada, 1988) which suggested that there should be a 10 per cent growth in the self-generated funding of Canada's NSOs between 1988 and 1992. A further 5 per cent growth in such funding was projected for the 1992 to 1996 quadrennium. In the decade preceding the 1988 Task Force report's release, federal government support for sport had grown at a rapid rate. The greatest expansion in federal funding of sport occurred between 1978 and 1987 when nominal contributions more than doubled to $59 million (Canada, 1992). Thus, the 1988 Task Force report appeared to indicate that the government's financial commitment to sport would not only cease to increase as it had in the recent past, but would actually decrease in both real and nominal terms.

Unfortunate events at the 1988 summer Olympic Games in Seoul, South Korea, led to a series of developments in Canada which resulted in a number of the recommendations of the Task Force report being shelved. One proposal which did survive the self-investigation of Canada's sport system and subsequent 1992 Task Force, Sport: The way ahead policy document (Canada, 1992), was that which focused on the inability of the federal government to continue to finance the number of sports to which it then provided operating funding. The report stated that "the federal government cannot support all interested sports to a satisfactory level of national team programming with the limited public funds" (Canada, 1992, pp.21-211). It further suggested that

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[1] A more complete discussion of the implications for NSOs of a reduction in government funding can be found in Berrett (1993).

> part of each sport's agenda should be to reduce dependence on government funding and to broaden the resource base. To accomplish this, sport must diversify its sources of funding, supplementing the traditional government source with new and creative sources (p.243).

Since the 1992 Task Force report, Canada's NSOs have been subjected to another examination via the Core Sport Report (Canada, 1994) in which a framework for determining levels of funding was established. However, with the then Minister of Culture and Heritage, Michel Dupuy, disregarding that report and its recommendations in early 1995, NSOs were left in a position of uncertainty that was little different from the one they faced in 1992. Later, in April 1995, some twenty two federally supported NSOs had their annual funding levels cut by a further 50 per cent, with a government commitment to eliminate their funding entirely in the 1996-97 budget year. At the same time, the total Sport Canada budget was cut to $48 million, with direct allocations to NSOs dropping to $20 million (Christie, 1995; Ostry, 1995).

One implication of the reduction in public funding of sport has been an implicit government presumption that NSOs (and, increasingly, individual athletes) can successfully approach the corporate sector for alternative sources of financial support. This presumption rests on the twin assumptions that the NSOs have the wherewithal and professional know-how to tap corporate funding, and that corporations are both willing and able to commit significant resources to the support of amateur sport. One of the objectives of the studies contained in this thesis is to assess whether the first of these assumptions is valid. A second objective is to analyse the various influences on corporate decisions regarding this element of their promotional mix. In developing a deeper understanding of the issues involved in the sponsorship process, it is hoped that the realism of increasing amateur sport's reliance on corporate sponsorship can be assessed, and that organisations which are attempting to tap corporate resources in this manner will be better informed in the future.

Before attempting to analyse corporate support for sport, it is important to define what is meant by the term `sponsorship'. A number of different definitions of commercial sponsorship have been offered by previous investigators of this element of the marketing mix (e.g., Abratt, Clayton & Pitt, 1987; Boulet, 1989; Cornwell, 1995; Meenaghan, 1983, 1991; Otker, 1988; Stotlar, 1992). Such has been the changing nature of sponsorship that Victor Head noted that defining this aspect of promotion is analogous to "trying to harpoon a butterfly in a gale" (cited in Thwaites, 1994, p. 744). However, for the purpose of this discussion, sponsorship can be viewed as:

> *a cash or in kind contribution made by a commercial organisation to an activity not directly connected to the donor organisation, with the expectation of achieving corporate objectives.*

Such a definition is sufficiently broad to accommodate a wide range of sponsored activities and the various motives for such support. It highlights that the sponsored activity must not be part of the sponsor's normal line of business (cf. Witcher, Craigen, Culligan & Harvey, 1991). If this is the case, it could be considered to be a pure sales promotion. It also emphasises that sponsorship is conducted for the purpose of attaining organisational goals. These might not only include marketing objectives (cf. Otker, 1988), but may also extend beyond the marketing function (cf. Copeland, Frisby & McCarville, 1996; Meenaghan, 1991). Moreover, this interpretation enables us to distinguish sponsorship from a variety of other forms of corporate support which are evident in both sport and the arts. One example of such support is a charitable donation or patronage for which the donor rarely expects widespread public recognition, although the recipient may recognize this kind of support in an event program.

Another form of corporate support of sport is through individual endorsements whereby a performer is paid a fee to promote particular products or services. Sport: The Way Ahead (Canada, 1992) also highlighted the inadequacy of government support provided to individual elite-level athletes by Sport Canada's Athlete Assistance Program. The report noted that only 16% of federally `carded' athletes received sponsorship or endorsement income to augment their government funding (Canada, 1992, p. 196). The scope of this thesis, though, is limited to corporate sponsorship of events, properties, and programs, rather than individual athletes.

When seeking to assess the objectives of sponsorship from a corporate perspective, it is important to remember that this aspect of the marketing mix accounts for only a small proportion of the total marketing budgets of corporations in most countries (Meenaghan, 1991; Sponsorship Research International, 1995). Due to the risky nature of sponsorship in the overall corporate marketing strategy, it has been observed that firms tend to limit sponsorship activity to less than 5 per cent of total advertising expenditures in countries such as the United Kingdom, Japan, the United States, and Canada (Gratton & Taylor, 1985; Sleight, 1989; Sponsorship Research International, 1995). As a result, sponsorship objectives are frequently set in the context of an integrated approach to marketing communications. As is the case with more direct forms of promotion, the aims of sponsorship are commonly defined in terms of desired sales or in expressions of communications levels which refer to the number of times a sponsor's name is mentioned or seen in a broadcast or print media report (Abratt & Grobler, 1989; Meenaghan, 1983; Shanklin & Kuzma, 1992). However, it should be noted that sponsorship has been viewed by corporations, and in the academic literature, as more than another form of advertising. For example, Meenaghan (1991) stressed that there were differences between the two types of promotion in terms of rationale, evaluation, and audience reaction.

One of the advantages that sponsorship has over advertising is that it can achieve a number of objectives simultaneously. As such, any attempt to rigidly classify corporate goals of sponsorship runs the risk of missing the point that sponsorship campaigns can feature several interacting objectives. These include broad corporate aims of community involvement, public awareness, promotion of the notion of the corporation being `socially responsible', improving the public image of the corporation, building goodwill among opinion formers or trading partners, and fostering improved employee relations. Sponsorship can also promote a specific brand. This can be achieved as a result of media exposure, the generation of sales leads, direct on-site sales, increasing awareness in a target market, or entertainment of guests (cf. Kuzma, Shanklin, & McCally, 1992; Meenaghan, 1983; Thwaites, 1994; Witcher et al., 1991).

Perhaps as a result of its versatility, there is considerable evidence that corporations are investing more heavily in the sponsorship of sport and the arts now than was the case even ten or twenty years ago. For example, worldwide sponsorship of sport was estimated to amount to $5.6 billion[2] in 1991, which represented an increase of some 30 per cent over the 1987 approximation of $4.1 billion ("The sports business", 1992). More recent estimates allege that total worldwide sponsorship spending amounted to $13.0 billion in 1994 (Sponsorship Research International,

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[2] All dollar figure are U.S. dollars unless stated otherwise

1995) and would be $15.4 billion in 1997, of which sport would account for a two-thirds share (International Events Group, 1996). Sponsorship in the United States increased from $500 million in 1982 to approximately $3 billion in 1992 (Shanklin & Kuzma, 1992) and $4.25 billion in 1994 (Sponsorship Research International, 1995). In Great Britain, where most of the few empirical studies of any depth in this area have been conducted, it has been reported that corporate sponsorship grew from £35 million in 1980 to £258 million in 1989 (Meenaghan, 1991). By 1994, it was estimated that this figure had risen to £450 million (Sponsorship Research International, 1995). It should be noted that these figures only refer to the corporate spending on acquiring sponsorship rights. If the amounts spent on leveraging the association are taken into account, actual expenditures may aggregate to up to three times these totals (Otker, 1988).

In Canada, too, corporate decision-makers have also begun to realise that sponsorship can be a valued marketing and communications device. Sponsorship in general, and sponsorship of sport in particular, is increasingly seen by some Canadian corporate decision-makers as a cost-effective means of promoting corporate image, products, or brands (Copeland et al., 1996; Wilkinson, 1993). However, although it has been estimated that total sponsorship rights expenditure in Canada amounted to $290 million in 1994 (Sponsorship Research International, 1995), it is difficult to determine how much of this is directed toward non-professional sport.

The 1992 Task Force Report suggested that the extent of corporate involvement in amateur sport in Canada in 1988 was (CDN)$1.2 billion in donations, advertising and event sponsorship (Canada, 1992, p. 244). However, it would be erroneous to conclude from this claim that direct cash income to Canadian amateur sport is even remotely close to this amount. In comparison, for example, Lou Lefaive, former president of Canada's Sport Marketing Council, claimed that the extent of direct corporate sponsorship of amateur sport was approximately (CDN)$15 million in 1988 (Gates, 1988), but that the actual outlay of the corporate sector to sport was closer to (CDN)$60 million when total promotional budgets for sponsorships were accounted for. The previous Task Force report, Toward 2000, estimated that the amount of externally generated funding flowing through NSOs' books in 1988 was (CDN)$17.2 million (Canada, 1988). It is likely that the true contribution of corporations to Canadian amateur sport lies closer to the latter of these estimates, although an accurate measure is difficult to determine. This is partly because many sponsorship deals provide support "in kind", as opposed to cash donations. For example, Athletics Canada had secured sponsorship worth (CDN)$412,200 for 1992/3 as of May 20 1992 of which some (CDN)$209,500 was to be received in cash and the remaining (CDN)$212,700 in product support (Athletics Canada, 1992).

Despite the wide range of estimates of the extent of corporate sponsorship, it is evident that this form of funding is playing an increasing role in both professional and non-professional sport in all parts of the world. In Canada, as in many other countries, there is significant pressure being exerted on NSOs to seek non-governmental sources of funding for teams, programmes, and events. Furthermore, although it was once true that sponsorship was undervalued as a means of promotion, marketing managers are now beginning to realise that substantial benefits can be reaped from the association of their company with sport (Meenaghan, 1991; Otker, 1988; Sleight, 1989).

Few extensive published empirical studies of the reasons behind corporate decisions to become involved in sport sponsorship have been conducted in Canada to date. Notable exceptions to this include the work of Copeland (1991); Copeland et al., (1996); Cousens and Slack (1996); and Amis, Pant and Slack (1997). Although not dealing exclusively with sport, Godbout, Turgeon, and Colbert (1991) also investigated sponsorship in the province of Québec. Investigations of a cursory nature have been carried out in Europe (Boulet, 1989; Marshall & Cook, 1992; Meenaghan, 1991; Witcher et al., 1991), the United States (Kuzma et al., 1993; Stotlar, 1992; Wilber, 1988), and elsewhere (Abratt, Clayton, & Pitt, 1987; Scott & Suchard, 1992). One common feature of each of these studies is that they were based upon mailed questionnaires. Such an approach is useful in that it allows for a large sample of corporations to be surveyed. However, it also has some drawbacks. For example, it allows for ex-post justifications of sponsorship decisions already made, and it is likely to produce mere lists of objectives which organisations *hope* to achieve. Scott and Suchard suggested that

> empirical studies have mainly used a direct question approach to the identification of sponsorship motivations and it is possible that this approach may in itself have biased the responses toward `more acceptable' community-based motivational reasons rather that [sic] the true motivational reasons (1992, p.327).

The previous studies on corporate sponsorship outline a number of motives behind the corporate decision to sponsor. However, there has, to date, been little research into the processes by which the decision to become involved in corporate sponsorship of sport has been arrived at. Moreover, and this is particularly germane in the context of the current study, there has been no investigation of the strategic setting in which sponsorship has been placed, either by the sponsors or the potential recipients. In fact, the vast majority of the previous studies on sponsorship (both from the perspective of the donor and the recipient) have been largely descriptive in nature and lacking in theoretical insight. As Scott and Suchard remarked

> in spite of . . . the rapid increase in expenditure on sponsorship, there is little empirical evidence of the motivations that lead businesses to spend a proportion of their advertising budgets on sponsorship (rather than on advertising) or what results they believe they will be able to gain from such expenditure (1992, p.326)

One of the purposes of the current study is to rectify this gap in the existing literature by examining sponsorship from a strategic perspective. The following chapters represent some of the findings generated from a two-part research project on strategic initiatives in the corporate sponsorship of Canadian sport. The first part of the study consisted of an investigation into how NSOs approach the challenge of raising sponsorship support for their programmes. The second part of the study addressed the issue of how Canadian corporations view their role in sponsorship activity, and what criteria they use to judge whether or not to become involved.

More specifically, the first paper (Chapter 2) provides an investigation of the strategic initiatives employed by NSOs in their approaches to obtaining corporate sponsorship. The analysis is based on data obtained from semi-structured interviews with key personnel in some thirty four NSOs. This paper outlines two key environmental factors which appeared to contribute to the ability of NSOs to raise sponsorship funds: media exposure, and participation rates. Based on levels of these principal factors, a matrix is developed, and each of the sample NSOs is classified into one of five strategic types. This enabled an evaluation of the strategic and structural factors (as opposed to environmental ones) which determined the success or failure of NSO sponsorship efforts. It is argued that a suitable fit between NSO sponsorship strategies, structure, and external environment is essential in order to maximise the potential for sponsorship support for these organisations.

Having outlined the factors which inhibit and contribute to an NSOs ability to generate sponsorship revenues, the next two papers (Chapters 3 and 4) address a variety of issues involved in sponsorship from the perspective of the contributing corporations. The analysis is based on data drawn from semi-structured interviews with the managers responsible for sponsorship in twenty-eight major Canadian-based corporations. The second paper (Chapter 3) proposes that in order to understand the complex nature of sponsorship, it is necessary to contextualise it in terms of corporate strategy. As with other forms of promotional activity, it is argued that sponsorship does not exist in a vacuum, removed from other endeavours which are being pursued by the corporation. More specifically, evidence is provided that organisational strategy has a strong influence on sponsorship activity, and that this element of promotion is affected differently by various types of corporate and business level strategy. It is argued that organisational strategy must therefore be accounted for in requests made by sport organisations for this kind of support.

The third paper (Chapter 4) takes this relationship between sponsorship and strategy a stage further by investigating the capacity of influences exerted by other entities to affect both a corporation's initial decision to sponsor and the type of sponsorship which it conducts. More specifically, this paper first addresses the impact of competitive pressures on sponsorship. It pays particular attention to the notion of first-mover advantage in sponsorship, and to pre-emptive strategies aimed at excluding rival firms from acquiring rights to properties. The remainder of the paper provides an assessment of the influence of institutionally, as opposed to competitively, based pressures on sponsorship decisions and actions.

In order to link the three preceding papers together, the final chapter summarises their main findings and evaluates the implications of the results for both corporations and organisations seeking sponsorship. This chapter concludes with a number of suggestions for future research which are likely to contribute to our understanding of the strategic nature of sponsorship. These include a more thorough examination of some of the findings presented in the three papers, as well as suggesting a theoretical framework which could be used to analyse the relationships that can arise among sponsors of an event or organisation, and those that emerge between sponsors and recipients.

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CHAPTER 2

An Investigation into the Strategic Approaches Employed by Canadian National Sport Organisations in Seeking Corporate Sponsorship

It has long been argued that national sport organisations (NSOs) in Canada should seek to increase the proportion of funding that they generate from non-governmental sources. As early as 1979, Iona Campagnola, Canada's first Minister of State for Fitness and Amateur Sport, suggested that the responsibility for funding sport should not be left entirely to government agencies and urged a greater role for the private sector (Macintosh, Bedecki, & Franks, 1987). Even in the mid 1980s, at a time when the amount of federal government funding being directed toward NSOs was increasing, the then Minister of State for Fitness and Amateur Sport, Otto Jelinek, felt that funding for sport could be augmented "without hitting the taxpayer" (Christie, 1984, p.S1). Such calls for a rebalancing of the role of government in funding sport in Canada and elsewhere have become even more vociferous in recent years as public managers are being forced to come to terms with an overburdening level of government debt as well as a resurgence of the political right in some countries (cf. Berrett, 1993). In Canada, these pressures have translated into concrete reductions in the amount of government funding being channelled directly to NSOs. Since 1987, there has been an annual decrease in both the real and nominal levels of federal funding for sport. In budget cuts announced in October 1994, Sport Canada's contributions to individual NSOs dropped by between 5 and 15% from 1993-94 levels (Christie, 1994). More recently, in April 1995, some twenty two federally supported NSOs had their annual funding levels cut by a further 50%, with a government commitment to eliminate their funding entirely in the 1996-97 budget year. At the same time, the total Sport Canada budget was cut to $48 million, with direct allocations to NSOs dropping to $20 million (Christie, 1995; Ostry, 1995; Christie, 1997a).

The most recent of a series of federal government task force reports on sport policy, Sport: The Way Ahead (Canada, 1992) inferred that there should be an investigation of the feasibility of Canada's NSOs increasing the proportion of funding that they receive from non-government sources. The report stated that

> part of each sport's agenda should be to reduce the dependence on government funding and to broaden the resource base. To accomplish this, sport must diversify its sources of funding, supplementing the traditional government source with new and creative sources (p. 243).

This statement, together with the practical reality of reduced levels of funding for many NSOs, has led to a realisation on the part of the volunteers and professional staff of these organisations that they must redouble their efforts in approaching the private sector for corporate sponsorship of their programmes, teams, and events. However, such a change in the source of funding of NSOs is likely to present a new set of management problems. If these organisations choose to rely more heavily on corporate sponsorship, they will have to become more responsive to the needs of these corporations while still pursuing goals in accordance with the wishes of members, client groups, and government (for those organisations that continue to receive financial support from this source). As a result, there will likely be more conflicting demands placed on managers of NSOs as they seek resourceful methods of financing. As MacMillan (1983) noted about non-profit organisations in general:

> at a time when long-run demands for [these] agencies' services are likely to increase, and at a time of reduced government support, not-for-profit organizations are coming under increasing pressure to deliver more and more services with less and less resources, supplied with more and more strings attached (p.61).

In fact, MacMillan continued to suggest that there is likely to be competition among all manner of non-profit organisations in their attempts to secure limited resources from a finite group of prospective corporate patrons. As such, he argued, all non-profit organisations should view their attempts to secure finances in a strategic and competitive context. This is increasingly true of NSOs as they become more dependent on corporate sponsorship for their funding. In order for these organisations to meet this challenge successfully, their staff members and volunteers will not only have to develop their own strategies in this area, but they will also need to gain a greater understanding of the reasons why corporations become involved in sponsorship.

While some efforts have been made to comprehend the rationale for corporate involvement in the sponsorship of sports events and organisations (see, for example, Abratt, Clayton, & Pitt, 1987; Copeland, Frisby, & McCarville, 1996; Meenaghan, 1983, 1991; Scott & Suchard, 1992; Witcher, Craigen, Culligan, & Harvey, 1991), our understanding of how sport organisations seeking sponsorship are strategising to obtain this form of funding is deficient, to say the least. The few investigators who have examined NSO attempts to attract corporate sponsors highlight the fact that most of these organisations have not been particularly successful in their efforts (Copeland, 1991; Gage, 1992). Indeed, Copeland found that only three of the seventy-one organisations in his study (4.2% of the sample) derived more than 50% of their funding from the corporate sector. In 1991, an average of 70% of funding for all NSOs came directly from government sources (Canada, 1992).

It has been suggested that one reason why most sport organisations in Canada have been unable to rely more heavily on corporate sponsorship in the past has been the "lack of sophistication" in their approaches (Copeland, 1991, p.11). Evidence of these amateurish tactics is currently limited to somewhat anecdotal testimony provided by corporate executives who are constantly barraged with requests to become involved in the sponsorship of events, teams, or organisations (cf. Slack & Berrett, 1995). To date, there has been no systematic study of the strategic approaches being employed by NSOs in their efforts to increase the level of corporate support for their programmes. Furthermore, there has been no attempt to relate these endeavours to the broader literature on strategic management.

In order to comprehend the varying degrees of success of sponsorship initiatives taken by NSOs, it becomes important to understand the different environmental constraints which they face and the varying strategic approaches that they have adopted. Consequently, this chapter examines the sponsorship strategies employed by a sample of thirty-four NSOs. A number of factors which regulate the likelihood of success in sponsorship activities are assessed, and the ability of NSOs to influence these determinants is analysed. The different approaches to seeking sponsorship that NSOs are using are determined and categorised, and the influences of structural and contextual factors in shaping these strategies are analysed.

To this end, the remainder of the chapter is divided into four sections. The first of these provides the theoretical background to the chapter, highlighting the relevant themes in the management literature which can be used to enhance our understanding of the strategic nature of sponsorship. Following this, the methodological approach that was taken in this study is described. This is succeeded by a section outlining the results and a discussion of these findings. Finally, some concluding remarks are provided which offer some direction for managers of sport organisations seeking sponsorship and make suggestions for further study in this area.

Theoretical Background

A number of management scholars have argued that the development of a workable strategy is one of the more important influences on organisational success (for example, Ansoff, 1965; Chandler, 1962; Miles & Snow, 1978; Mintzberg, 1987; Porter, 1980; 1985). The increasingly volatile nature of environments facing all manner of organisations has forced managers to develop systematic means of analysing their surroundings and assessing the strategic direction that their organisation should follow (Robbins & Stuart-Kotze, 1994). The benefits of such long range planning for private, public, and not-for-profit organisations include the specification of goals, improved guidelines for employees, and the furnishing of a vision of where the organisation is headed (Das, 1990).

The early research on organisational strategy identified a relationship between strategy and a variety of structural and contextual factors. For example, in his seminal work, Chandler (1962) argued that changes in corporate-level strategy required alterations to structure. This line of work was extended by Rumelt (1974) who investigated the link between strategy, structure, and performance. Others concentrated their efforts on relating strategy to organisational environment (for example, Hofer, 1975; Miller, 1981; Miller & Friesen, 1986). In his work on the relationships between strategy, structure, and environment, Miller (1981) introduced the notion of organisational `gestalts' or `configurations' when he argued that there are only a limited number of feasible combinations of strategy, structure, and environment which are likely to result in organisational success. However, it should be noted that Miller did not go as far as to suggest that there is only one `best way' to achieving success. Instead, he argued, there is some equifinality in strategic decision making in that different paths can lead to similar levels of success in similar environments. The mutual relationships between strategy, structure, and environment were further explored by Miller and Friesen (1983) and Miller (1986). Indeed, the latter (1987a, 1987b, 1988, 1990) went on to empirically analyse the notion that business-level strategies should not only be matched to variables such as size, age, and technology, but also must complement and mutually interact with the external environment in order to generate organisational success.

As a corollary to the research on the link between strategy, structure, and environment and the notion of configuration, a number of attempts have been made to categorise organisations according to strategic types (for example, Miles & Snow, 1978; Miller, 1987a; Porter, 1980). The models presented by these authors suggested that organisations fall into one of a number of strategy modes. Furthermore, they argued, the effectiveness of each mode depends, to some extent, on the nature of the environment in which the organisation is operating. For example, Miles and Snow (1978) developed a framework of adaptive strategy in which they identified four strategic types: prospectors, defenders, analysers, and reactors. They argued that the effectiveness of each mode of strategy for a particular organisation depended on its fit with the competitive environment in which that organisation was operating, as well as the firm's internal structures, and its managerial processes. In another attempt to categorise organisations according to strategy, Miller (1987a) suggested that different types of business level strategy have strong, but different, relationships with bureaucratic and organic devices of uncertainty reduction, differentiation and integration, and environmental dynamism, heterogeneity, and hostility.

While a great deal of effort has been expended on attempts to categorise organisations according to strategic type, it is important to note that most of these strategic categorisations have been devised for the profit-oriented sector, as opposed to the non-profit sector. There are clearly different factors which are likely to influence strategic choice in organisations which do not have an overriding goal of profit, growth, or revenue maximisation. However, much of the literature on strategy in non-profit organisations has been normative, as opposed to analytical, in that it provides number of steps which administrators should follow in formulating strategy (for example, Bryson, 1988; Lindahl, 1992; Nutt, 1984). A notable exception is the work of Butler and Wilson (1990) who emphasised that contextual factors such as competing interests are likely to increase the amount of subjectivity in strategy formulation. Others who have attempted to classify non-profit organisations according to strategy include MacMillan (1983), Montanari and Bracker (1986), Gruber and Mohr (1982), and Thibault, Slack and Hinings (1993; 1994). Each of these authors emphasised different factors in determining their strategic categorisations, but their efforts highlight the importance of context in strategy formulation in the not-for-profit realm of the economy.

To date, few investigators have attempted to classify sport organisations according to strategic type. The research by Thibault et al. (1993; 1994) represents a notable exception. It should be noted, though, that these researchers concentrated only on the domestic programming of NSOs in determining their typology. They argued that a fundamental distinguishing feature of their categorisation as opposed to others which have classified not-for-profit organisations was the fact that NSOs do not operate as charities and, as such, they "do not undergo the same pressures to raise funds continually in order to meet the needs of their `clients'" (1993, p.31). Their logic for this assertion was that a "large percentage of [NSO] funding comes from a government agency" (1993, p.31). Given the considerable reductions in the amount of funding derived from government, and the fact that international results are becoming more important than domestic programming in determining public support (S. Neill, April 11 1996, personal communication; Ostry, 1995), it is relatively easy to argue that an NSO's ability to raise sponsorship funding is becoming increasingly central to its operations. Consequently this chapter provides a framework for analysing the development of sponsorship and marketing strategies in NSOs, and it identifies a variety of different strategic types.

In investigating a sample of Canadian NSOs, the study is based on the premise that organisational operations are sector specific. As Child (1989) emphasised, it is likely that strategic managers in different organisations within a sector share strategic "recipes" which result in similar strategies being followed. This is not to imply that all NSOs are expected to follow the same strategies, but it highlights the fact that there is a certain degree of institutional isomorphism among Canada's NSOs which has resulted from three decades of increasing government involvement in steering the direction of these organisations (cf. Slack & Hinings, 1994).

Given this similarity in history of government nurturing of NSOs, it becomes even more interesting to analyse the different approaches that NSOs are taking to secure sponsorship. As Miller and Friesen (1983) argued, the viability of organisations depends on their "ability to master the challenges posed by their environments" (p.230). As compared with their less successful counterparts, those NSOs that have developed more effective sponsorship programmes are therefore expected to have achieved better matches between environment and structure, strategy and structure, and strategy-making and environment. Furthermore, it seems likely that strategic groups will have developed in which comparable approaches to sponsorship and marketing will have resulted from similarities in the environment faced by different NSOs. This is because different NSOs face distinct environments which are likely to affect their ability to attract sponsors. These environmental variables include the media exposure of the sport, the public profile of the sport in Canada, the international popularity of the sport, Canada's level of international success, and Canadian participation levels.

In the short-term, at least, it is unlikely that NSOs can exert much control over most of these influences. Nevertheless, it is important that efforts are made by NSOs to scan their environments for opportunities which might enhance their ability to sell sponsorship. It is also vital for the success of their sponsorship efforts that NSOs formulate strategies appropriate to their context and structure. It is argued here that there are a number of structural and strategic influences which can be manipulated by NSOs in order to maximise their potential given their environmental constraints. These include such considerations as: whether or not the NSO has a feasible strategic plan for its sponsorship efforts; whether or not it has sponsorship policies which drive decisions in this area; how far strategy relating to marketing and sponsorship is integrated with organisation-wide strategy; the time commitment and background of personnel devoted to marketing; the design of the organisation and its linkages with constituent provincial branches; the existence and effectiveness of a marketing committee; and the use of external expertise to assist in achieving marketing objectives.

Thus, it is proposed in this chapter that the NSOs which have been relatively more effective in the realm of sponsorship are also likely to be the ones which have identified and exploited (or manipulated) those features of their organisation's structure, strategy and environment which influence their ability to raise sponsorship. Contrarily, it is also suggested that those NSOs which have been relatively ineffective in their quests to generate corporate sponsorship have failed to find a suitable fit between their structure, strategy, and environment.

In any attempt to categorise organisations according to strategy, it is important to note that three levels of strategy have been identified in the management literature (Hill & Jones, 1989; Robbins & Stuart-Kotze, 1994; Varadarajan & Clark, 1994; Walker, Boyd, & Larréché, 1992). Corporate level strategy seeks to identify the type of business in which an organisation should be operating. However, in organisations such as NSOs where there is only a single line of business, corporate-level strategy will give way to the second level of strategy. At this second stage of analysis is business-level strategy which seeks to determine how an organisation should compete in its chosen sphere of operations (whether they be in the private sector, or the not-for-profit sector). In the not-for-profit sector, the business-level strategy will, ideally, identify the clients that the organisation seeks to serve, as well as the underlying philosophy with which the service will be provided. The third level of strategy that organisations might adopt in order to improve performance is at the functional level, such as finance, human resources, and marketing and promotions. This level of strategy seeks to determine how the objectives outlined in the business-level strategy will be supported by a particular element of the organisation. Such functional strategies might result in conflicts between departments, emphasising the need for a business-level strategy for the organisation as a whole.

To enhance organisational success, Hill and Jones (1989) suggest that linkages between corporate-, business-, and functional-level strategies should be attainable and consistent with one another, as well as with organisational goals and objectives. Hill and Jones further stress the need for communication links and information flow between business and functional levels of goal setting, strategy formulation, and strategy implementation. The necessity for such linkages between different levels of strategy formulation in not-for-profit organisations has been stressed by Dibb and Simkin (1993). They suggested that one reason why many leisure service organisations lack success in marketing is because the individuals who are given the responsibility for this task have little or no input into determining the services which are being sold. They also argued that more effective promotional outcomes are likely to arise if marketing personnel are involved in formulating and implementing business-level strategies which influence the organisational outputs which are eventually offered for sale.

When considering the impact of these different levels of strategy, a word of caution is offered by Mintzberg (1994, p.75) who suggested that "adjectives like corporate, business, and functional may sound good on paper, but they are far from clear in reality". This is particularly the case in smaller organisations such as NSOs where the distinctions between different levels of strategy are likely to be even more blurred than they are in larger organisations with formal differentiation between functional departments. Nevertheless, the number of organisations which draw formal delineations between these different levels of strategy in their decision-making processes indicates that they remain useful concepts.

At a more theoretical level, Varadarajan and Clark (1994, p.103) noted that there is a "need to move away from an isolationist focus toward a constructive interdisciplinary exchange" between scholars from fields such as marketing, industrial economics, and organisation theory. They argued that linkages should be made between these different fields of inquiry in the study of strategy. In the context of this chapter, this line of reasoning suggests that a more thorough understanding of functional level strategies, such as those pursued by NSOs in their quest for sponsorship, would be developed by drawing on and integrating the findings of industrial economists and organisational theorists derived from their studies of business- and corporate-level strategies. Such a synthesis of ideas would provide us with a useful starting point from which to extend our knowledge of functional level strategies.

The combination of an increasingly turbulent environment and the resource scarcity facing Canada's NSOs, amplifies the need for managers in these organisations to act more strategically. In order to improve the performance of a NSO, strategies that fit with both the organisation's structure and its general and task environments need to be developed at both business- and functional-levels. In most of these organisations, it is argued here, the distinction between functional and business-level strategies often becomes blurred because of the relatively low staffing levels. In those NSOs where the Executive Director is also responsible for sponsorship and marketing, there are considerable inherent linkages between business-level and functional-level strategies. Only in very few of the larger NSOs is there more than one person working full-time in the area of marketing, promotions, and sponsorship. Even in these organisations, other staff members (and in some cases volunteers, or external agents) are often involved in the development and implementation of marketing and sponsorship strategies. As a result, there is likely to be some degree of synthesis between functional and business level strategies. Moreover, the number of the synergies that exist between these two levels of strategy in an NSO is likely to provide some indication of the level of success of its marketing and sponsorship programmes.

Methodology

This research employed a multiple case-study approach with data being collected from semi-structured interviews with the key individual(s) responsible for marketing in thirty-four NSOs. In most NSOs, one individual was responsible for overseeing all aspects of marketing and promotion activities. The NSOs included in the sample reflect different levels of success in achieving sponsorship revenues. In addition, differences in factors such as size, media profile, structural form, type of sport (winter/summer; individual/team; Olympic/non-Olympic; high performance/mass participation focus) were accounted for in selecting the sample. In order to negate the influence of high profile media events such as the Olympic Games or World Cup of Soccer, the data were collected in 1993. These interviews were conducted in-person, thus enabling the collection of a richness of data otherwise unobtainable (Henderson, 1991). The merits of using interviews to study organisational phenomena have been highlighted by Mintzberg (1979a; 1979b); Van Maanen, Dabbs, and Faulkner (1982); and Van Maanen (1988), and the need for more work of this nature in the study of sport organisations has been stressed by Olafson (1990). Given that the majority of the previous investigations of organisations attempting to access corporate sponsorship have been conducted using self-administered questionnaires (cf. Copeland et al., 1996), it is felt that new insights are to be gained from taking a rather different methodological approach in this study. As suggested by Monette, Sullivan and DeJong (1986), interviewing allows for probing which is not possible in questionnaire-based studies. They also argued that face-to-face interviews ensure that the proper person responds to the questions, and that the interviewee is motivated to answer in greater depth than is often the case with questionnaires.

The semi-structured interviews focused on the processes that have been employed to increase corporate sponsorship of NSOs. The individuals who were interviewed were those professional staff members who were responsible for marketing (the Marketing Director (MD), or equivalent, if one existed), or the individuals with overall responsibility for the financial operation of the NSO (Executive Director (ED) or equivalent). During the interviews, which lasted between 60 and 90 minutes, the following themes were covered: the decision-making process surrounding who should be approached and the background of those responsible for these decisions; the commitment the organisation has to increasing sponsorship; the relationship between the NSO's business-level strategy and its strategy aimed at increasing sponsorship; whether or not strategic initiatives are employed to secure sponsorship; the amount and type of media exposure enjoyed by the NSO, and the nature of attempts to increase such coverage; linkages that exist between the NSO and other actors in the sport system such as international sport federations (ISFs), multi-sport agencies (MSAs), provincial sport organisations (PSOs), other NSOs, or professional sport teams; the number and type of corporations approached with sponsorship proposals, and the timing of these proposals; how sponsorships are serviced and evaluated; the use of external agencies for generating or servicing sponsorships; and the types of problems arising from current or previous involvement in corporate sponsorship.

With the consent of the interviewees, the discussions were tape recorded and subsequently transcribed verbatim, producing approximately 1,000 pages of text. In addition to the interview transcripts, documentary evidence was obtained in the form of press cuttings, media releases, marketing plans, annual reports, and other NSO documents. In addition to our discussions with NSO personnel, half a dozen professionals who operate within the sponsorship business were interviewed. These individuals included both agents who acted on behalf of corporations, athletes, and sport organisations, as well as consultants who sold their expertise to organisations involved in sponsorship arrangements. It was expected that the perspectives of these practitioners would provide a more detailed picture of the factors involved in sponsorship success than would be gleaned from many of the NSO personnel who were relatively unskilled in marketing.

After transcription, the interviews were checked thoroughly against the original tape recordings for accuracy. The data were then analysed according to the three stage coding process outlined by Strauss (1990). First, this involved "open" or unrestricted coding of the data with a view to analysing the information in detail to produce concepts or themes that appear to fit the facts. This involved an analysis of each interview, noting themes that recurred commonly across the data set. These themes included details of decision-making surrounding sponsorship, the existence (or otherwise) of a formal sponsorship or marketing strategy, overall planning and strategy, linkages with other groups or organisations which affect sponsorship, conflicts arising from sponsorship, the types of approach that are used in generating sponsorship, the length and type of agreements, definitions of properties available to sponsors, and factors influencing success or failure. This "open" coding produced over fifty files of text (about 600 pages) comprised of statements made by the interviewees in response to the questions posed in the interviews. The second stage consisted of "axial" coding in which a more intense analysis of the data was conducted around the major concepts emerging from "open" coding. This involved reanalysing the text files which had been derived in the open coding stage. At this stage, information contained in the documentary data was integrated with that derived from the interviews. The different categories from the open coding phase were related to each other one at a time in order to determine whether there were linkages between any of them. Some forty major concepts emerged from the refined data-set. These were grouped in the following thirteen categories: approaches, athletes and sponsorship, conflicts, corporate linkages, demographics of personnel involved in sponsorship, decision-making, internal and external linkages, media exposure, properties, servicing and evaluation, strategies, success factors, and transaction costs arising from the use of third parties. The third stage of coding, "selective" coding, was conducted on a subset of the thirteen categories to discover conceptual categories and sub-categories in order to construct theory. This involved a systematic analysis of a number of core categories which were selected from the axially coded data. Selection was based on the ability of the axially derived categorisations to account for variations in behaviour related to sponsorship acquisition. At this stage, the data were cross-referenced by both the "axial" codes and also by NSO and were grouped in a manageable number of themes. The characteristics of individual NSOs within the strategic groups were determined by this cross-referencing. Also the similarities and differences that occurred within and between these groups were evaluated[1].

The success of NSOs in attracting corporate sponsorship was measured by the dollar amount of revenue derived from this source. This criterion illustrates the absolute success of NSOs in their approaches to the corporate sector for support. A second measure of success, the percentage of total budget derived from corporate sponsorship, was also considered. This latter figure gives an indication of the relative proficiency compared with other forms of revenue generation. However, a lower percentage figure did not necessarily indicate a low level of sponsorship success. In one of the more successful NSOs (as measured by absolute dollar sponsorship revenue), a low relative percentage resulted from the efforts that the NSO had exerted in generating income internally through marketing its own programmes and expanding membership levels. In addition, those NSOs that have tended to get larger amounts of federal government support for their operations are also organisations which have been comparably successful in generating sponsorship revenues. Thus it was felt that the success of NSOs in generating sponsorship should best be measured in absolute, rather than relative terms. One problem with either the absolute or percentage measure of sponsorship success is that figures are not directly comparable between NSOs. For example, some organisations include goods-in-kind (GIK) as part of their sponsorship revenue, while others only include cash contributions. Furthermore, some NSOs measure GIK in terms of retail value, while others choose to place a wholesale value on GIK. Every attempt has been made to ensure that the data are comparable between the NSOs in the sample. For example, an anomaly which arose with one NSO was its attribution of the value of international hosting by foreign countries which invited Canadian teams to play abroad and covered all costs. This was not considered sponsorship revenue in this study because no other NSO included such in-kind support as sponsorship per se.

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[1] Greater detail regarding the methodological approach employed in this study can be found in Appendix A

In order to compare the strategies employed by NSOs which faced similar constraints in their efforts to generate corporate sponsorship, it was necessary first to determine those exogenous factors which appeared to have the largest influence on success levels. This was done in a two-stage process. The first stage was to rank the NSOs according to their absolute sponsorship success level and then to compare these raw rankings with evidence of a number of possible factors which might influence success levels. These factors included the NSO's size, its level of media exposure, its international ranking, the time commitment and background of the individual responsible for marketing, the existence and feasibility of sponsorship and marketing strategies and policies, and the use of internal and external expertise. The second stage of determining the dominant influences on success was to analyse the statements of both the NSO personnel and the professional marketers of what they considered to be important prerequisites of a productive sponsorship programme.

The NSOs were then grouped according to those elements which appeared to have the greatest influence sponsorship success. As suggested by Miles and Huberman (1994), the process of grouping the NSOs according to the criteria which emerged from the coding process described above is similar to cluster- or factor-analysis used in quantitative studies. The coding and subsequent analysis revealed two key factors which appeared to account for most of the variance in NSO sponsorship revenues. These two elements were an NSO's relative level of media exposure (which was classified as `minimal', `moderate', or `extensive') and its participation base (which was ranked as `low' or `high'). Based on levels of these principal factors, a 2x3 matrix was developed, and each of the sample NSOs was classified into one of six possible strategic types[2]. It was then possible to assess the effects on sponsorship success of various strategic initiatives employed by NSOs. The distinct types and the influences of strategic factors are discussed in more detail in the following sections.

Results and Discussion

In the "open coding" stage of the study, two primary indicators of factors which contribute to sponsorship success emerged from the data analysis. The first of these was the amount of television coverage of events held under the auspices of the NSO. The second factor which appeared to influence the likelihood of sponsorship success was the number of participants within the sport in Canada who came in contact with events or programmes run under the auspices of the NSO.

The amount of television exposure of an NSO's teams or events appears to be the heaviest single influence on its ability to generate sponsorship revenues. This presumption was supported both by professionals in the field of sport marketing who were interviewed, and by NSO personnel responsible for generating sponsorship. Indeed, in a study of factors influencing sponsorship in the United Kingdom, it was argued that

> television coverage is a key factor determining what events will receive sponsorship and how much, since television coverage impacts on the target market that the sponsor can expect to reach expanding the scope of a campaign from less than thousands to millions (Mintel, 1994, p.3).

The authors of the report went on to suggest that "the coverage of a sport on television is probably the most important factor leading to sponsorship" (p.6). Evidence of the importance of television coverage for sponsorship agreements in North America was provided by the experience of the Houston indoor track and field meet which "was cancelled ... when USA Track and Field couldn't assure sponsors of U.S. national television coverage" (Christie, 1997b, p.A20).

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[2] As is discussed in the results section, none of the NSOs were categorised into one cell in the matrix which therefore remained empty (see Table 2-1).

There is little reason to suggest that television exposure would have less importance in the Canadian marketplace. A number of EDs and MDs indicated that getting their sport on television was a primary aim of their marketing efforts. One professional marketer suggested bluntly that "without television coverage, you're not going to get the big bucks". For those working within the NSOs, there was a similar realisation that television exposure is essential for many sponsorship programmes. One ED indicated that "everything evolves around our events and our television programme which is the backbone of our marketing efforts", while the MD in another sport suggested that television was of "paramount importance" for his sponsorship efforts.

The interviewees did not provide precise figures for the number of hours that their sport was televised in Canada. However, they were asked in broad terms about the nature and extent of television coverage of events held under the direct control of the NSO. The amount of exposure was categorised into three groupings (`minimal', `moderate', and `extensive') according to the interviewee's description of his or her sport's television coverage, relative to that of other NSOs. A NSO with `minimal' coverage is defined as being one which had limited reporting of events held under the direct control of the NSO on national or regional television in Canada. For these NSOs, the interviewee reported little, if any, televised coverage of national championships or national team events. Examples of typical responses to questions of television coverage of NSOs in this category included: "the only time we're on TV is at the Olympics or Commonwealth Games"; "we used to be on TSN, but it's too expensive now"; "we have to do something to make our sport more exciting for television"; and, for one disheartened ED, "what's TV?". Twenty of the thirty four NSOs in our sample were categorised as having `minimal' television coverage of events and programmes under their control.

A NSO with `moderate' television coverage is defined as being one which had more than a single event covered on national television, but only intermittent coverage throughout the sport's competitive season. Interviewees in the nine NSOs in this category explained that they enjoyed some degree of national coverage of some of the events which they organised. For seven of these, this included the senior national championships as well as at least one other event. For the remaining two, international events hosted by the NSO were covered by national television. Six of the nine NSOs in this category received a fee from television companies for covering their events, while the other three were charged by the broadcaster for air-time, or paid for the television production of their coverage in return for some advertising slots.

NSOs with `extensive' television coverage are defined as those with multiple events programmed nationally throughout their competitive season. Five of the NSOs in the sample enjoyed `extensive' television coverage of events under their control and each of them was paid fees by the television companies for having the right to cover the events on air.

In fourteen of the eighteen NSOs which generated more than $120,000 in sponsorship revenue, there was either `moderate' or `extensive' national television exposure of the NSO's ev[illegible] and teams. The sixteen NSOs in the sample which generated less than $120,000 in sponsorship had only `minimal' exposure of their events on national or regional television. It is perhaps not particularly surprising that those NSOs which enjoyed more media coverage of their events tended to generate more revenue from sponsorship. This is because of the emphasis that corporations place on the importance of television exposure in their decision regarding sponsorship (cf Abratt et al., 1987; Witcher et al., 1991). Despite the unquestionable influence that television coverage has on the revenues generated by NSO sponsorship efforts, this is evidently not the only factor which affects an NSO's ability to raise funds from the corporate sector. In fact, there were three NSOs which generated more than $450,000 each in sponsorship despite having `minimal' television exposure. It should be noted, however, that two of these NSOs were preparing to host the world championships for their sports in Canada in the year following our interviews and expected considerable sponsorship revenue to result from the fifty to sixty hours of national coverage which the organisers of the events had arranged with a Canadian broadcaster. One of these two NSOs, along with the other NSO which only garnered `minimal' television coverage but generated more than $450,000 in sponsorship, was responsible for the organisation of the amateur level of a sport which, at the professional level, enjoys considerable television coverage in Canada. The coverage of these two professional sports, while not under the control of their respective NSOs, clearly raised the profile of the sports in Canada. It also enabled these NSOs to forge strategic linkages with the Canadian professional team franchises.

The nature of these strategic linkages highlights the second factor which acted as an indicator of sponsorship success: participation base (PB). Although television exposure is often cited as a primary objective of corporate involvement in sponsoring sport (cf. Witcher et al.,1987; Meenaghan, 1991; Scott & Suchard, 1992), direct access to participants is also considered important in corporate decision-making. As the authors of the previously cited British study on sponsorship argued, "if sponsorship is to be effective, then consumers, a prime target for sponsorship, must be interested in the subject sponsored" (Mintel, 1994, p.5). The PB is defined here as *the number of regular participants in the sport whose participation came under the direct control of the NSO*. In other words, only those participants who are active in programmes organised by the NSO (or its constituent branches) and who come into contact with material produced by the NSO should be considered as a factor which influences sponsorship success. Thus, formal membership levels might underestimate the relevant participant base if the NSO can directly contact active participants who are not members. Alternatively, the total number of participants in a sport would probably overestimate the impact of an NSO's sponsorship efforts if the NSO has no ability to access those participants. The latter is particularly true in some sports which are played in an unorganised fashion at the recreational level where there are few perceived benefits from membership in the NSO or its constituent PSOs. For example, the Canadian Federation of Archers currently has no means of accessing the considerable number of bow hunters in Canada, and the Canadian Racquetball Association has less than 1,000 members despite there being almost 200,000 recreational players in Canada.

The PBs of the sample NSOs were divided into two broad categories: `high' (in excess of 25,000 regular accessible participants), and `low' (fewer than 25,000). Seventeen NSOs in the sample had `high' PBs, and an equal number had `low' PBs. In fact, none of the NSOs in the sample had PBs between 12,500 and 25,000, so the difference between the NSOs with `high' and `low' PBs was quite marked.

INSERT TABLE 2-1 ABOUT HERE

As Table 2-1 illustrates, each of the NSOs which enjoyed `extensive' television coverage of their events also had `high' PBs. Within this categorisation, one NSO had over one million participants which it could reach through its programmes, while each of the other four had PBs of at least 100,000. The level of participation in the nine NSOs with `moderate' television exposure was almost equally split, with four controlling a `high' PB and five having a `low' PB. The variation in PBs in this group of NSOs is illustrated by the fact that they ranged from fewer than 100 in one sport to over 130,000 in another. The NSOs with `minimal' television coverage also had diverse PBs. Eight had `high' PBs, while the remaining twelve had `low' PBs. None of those NSOs with `low' PBs and `minimal' television exposure had more than 10,000 accessible participants.

It is proposed that there is little which NSOs can do in the short term to control their levels of media exposure. Nevertheless, there is some evidence that NSOs are able to exert some longer term influence over media exposure as a result of previous and current strategic initiatives. For example, one of the NSOs with `moderate' television exposure had been proactive in developing a television show which highlighted the sport and provided an opportunity for increased sponsorship of the national teams. Canada's national sports cable network (TSN) broadcast eight programmes throughout the sport's season (as well as numerous repeats) after the show's producer and the NSO had negotiated air time. Another NSO with `moderate' television exposure paid TSN for air time in order to show its events on national television. This NSO's MD explained that the NSO barely broke even on its television properties after the production costs had been paid. However, getting exposure was considered an important aspect of a longer term strategy to increase awareness of the sport in Canada. In contrast, the MD of one of the NSOs with `extensive' media coverage explained that his organisation had taken active steps to prevent overexposure of the sport on television. He explained that "we really don't want to cheapen anything that we put on. If [our NSO] is associated with an event, there's a certain standard to it and some of our lower level events aren't to the standard of what people might think they could be at. So sometimes it's not good to be on TV." Nevertheless, these examples of NSOs actively influencing the amount of television coverage that they get are exceptions. Also, it is important to note that the NSOs with `extensive' media exposure are all sports in which there is considerable interest in Canada (either at the recreational level, or in the performance of elite athletes or teams, or both).

For different reasons, it is also difficult for NSOs to manipulate their participation levels, at least in the short-term. Some NSOs, responsible for sports such as bobsled, ski-jumping, and luge, are limited by the availability of facilities which restricts the potential for growth of the sport in Canada. In other sports, such as equestrianism or yachting, a major limiting factor is the cost of participation (cf. Thibault et al., 1994). Another factor which is likely to inhibit an NSO's ability to increase participation levels is the limited availability of coaches and officials at the grass-roots level. This happened in the sport of rhythmic gymnastics in 1984 after Lori Fung won an Olympic gold medal, but the sport's infrastructure was unable to cope with the increased interest from potential participants (Canadian Rhythmic Sportive Gymnastics Federation, 1988). Other factors which might inhibit an NSO's ability to increase participation base are the lack of history and tradition that the sport has in Canadian society, or limited opportunities for competition in Canada.

The number of NSOs which fall into each of the six possible combinations of media exposure and participation base are shown in Table 2-1. As can be seen, no NSOs faced an environment comprising a low PB and `extensive' media exposure. It is proposed that such a combination is unlikely for NSOs. This is because extensive media coverage of non-professional sports in Canada relies on there being significant viewer audiences which are unlikely without a considerable body of participants (Alain Lafleur, Sport Canada, personal communication, January 15, 1997). However, it is acknowledged that activities such as motor sports would fall into this category because of their broader appeal to television viewers. Of the remaining five strategic categorisations, twelve NSOs faced an environment characterised by `minimal' media exposure combined with low PB. Success in sponsorship programmes for these NSOs dictates that they focus their marketing efforts on gaining support from corporations which produce goods and services directly related to participation within the sport. These corporations would include specialised equipment manufacturers, as well as companies involved in the travel and hotel business. The NSOs in this categorisation are termed `internal marketers' which indicates their sponsorship activities which are most likely to be successful. The five NSOs with `moderate' media exposure and low PBs are termed `media focusers'. In addition to approaching corporations which supply related goods and services, these NSOs are able to attract non-related corporations into a sponsorship agreement because their media exposure can be used to target a specific audience demographic which is not necessarily associated with participation in the sport. The eight NSOs with a high PB in combination with `minimal' media exposure are termed `participant focusers'. This is because they are able to reach a broad enough audience within their own ranks in order for non-related corporations to be interested in a partnership to promote their products or services. The four NSOs with a high PB combined with `moderate' media exposure are termed `augmenters'. These NSOs are able to approach corporations which might be interested in either media exposure, or extensive numbers of participants, or a combination of both. In order to improve their sponsorship positions, the NSOs in this category would likely need to augment either their PBs or the amount of media exposure of their sport. Members of the final strategic group, those NSOs with both high PB and `extensive' media exposure are termed `elaborators'. The NSOs in this group are blessed with the two primary factors which appear to predicate sponsorship success. In order for these NSOs to increase their sponsorship revenues, they will probably have to elaborate on their existing strengths, while ensuring that they do not dilute the impact of current high levels of media exposure. In addition, these NSOs are likely to benefit from safeguarding that their PBs are not alienated as a result of what participants might see as excessive commercialisation.

If success levels in sponsorship were entirely dependent on the two environmental factors of media exposure and participation base, one would expect that NSOs within each strategic group would generate similar amounts of revenue from their sponsorship efforts. The differences would be explained merely by different degrees of exposure and levels of participation within the broad categorisations outlined above. This, however, is not the case. Table 2-2 outlines the range of sponsorship success (as measured by sponsorship revenues) of NSOs within each of the five strategic groups. Even when similar levels of media exposure and participation are taken into account, there is considerable variation among the success levels of sponsorship programmes within different NSOs.

INSERT TABLE 2-2 ABOUT HERE

Therefore, rather than resigning ourselves to environmental factors which (at least in the short term) are difficult to influence, one must look elsewhere for explanations of differences in sponsorship performance within each strategic group. Two sets of factors emerged from the coding of the data which contributed to explaining these differences: structural elements of the NSOs, and strategic initiatives undertaken by those responsible for marketing within each NSO.

Examples of structural factors included linkages that NSOs had established with other organisations in the Canadian and international sport system, the existence and effective use of a marketing committee or external expertise in marketing, the centralisation of decision making, specialisation of the marketing function, and the formalisation of policies and procedures in the marketing domain. Strategic factors which appeared to influence the success level of NSO sponsorship activities included the existence of a feasible marketing strategy, the strategic fit between marketing activities and the business level strategy of the NSO, current and previous strategic initiatives aimed at influencing media exposure and participation, the time commitment devoted to sponsorship, and the identification and exploitation of distinctive competences in the realm of marketing. Furthermore, as the work of Miller (1986, 1987a, 1987b, 1988, 1990) and Miles and Snow (1978) suggested, a suitable match between these structural and strategic elements and the environment faced by the NSO was an important factor which corresponded with the relative levels of success of their sponsorship efforts.

By determining and comparing the structural and strategic factors exhibited by the sponsorship approaches of NSOs within each strategic group, it was possible to discern considerable support for the hypothesis that these are, indeed, factors which influence sponsorship success levels. The next section outlines and analyses the predominant structural and strategic differences between the relatively successful and ineffectual NSOs within each of the five strategic groupings.

Internal Marketers

Given the limited opportunities for sponsorship presented by the environment in which the NSOs in this strategic group operate, it is perhaps not surprising that they were among the least successful of all organisations in the sample in terms of absolute revenue generation from sponsorship. However, even when the external constraints are taken into account, most of the NSOs in this grouping do not appear to reach their (albeit limited) potential for sponsorship because of inadequate strategic planning. With one exception, the `internal marketers' each generated less than $60,000 per year from sponsorship.

The NSO in this group which outperformed its cohorts had developed a strategy which exploited its potential for television exposure abroad. In a sense, this NSO had many of the traits associated with `media focusers' in that its sponsorship successes were derived largely from its television coverage. However, this strategy appeared to have developed out of serendipity, rather than through any deliberate process. As a result of Canada's international success in this sport, the national team had been invited to tour other countries whose national federations covered all associated costs. There was little evidence of an overall strategy for generating sponsorship in Canada. The ED explained that "our marketing efforts now are not sponsorships" in the traditional sense, but that they centred around the opportunities for Canada's top athletes to compete in foreign countries. The NSO had no marketing strategy per se, but, as the ED stated, "the fact that there is no document that sets it all out does not mean there isn't a very solid strategy as to how we work". It was clear that this NSO had capitalised on its distinct ability to generate exposure for equipment suppliers in countries in which the sport has a substantially wider following than it does in Canada.

In only two of the NSOs in this group had a formal marketing strategy been developed which closely linked with the overall strategic direction of the organisation. In both cases, the strategies had only recently been formulated as a result of a process which involved professional and volunteer input. In neither case had the formal marketing strategies been fully implemented, and the two NSOs were not yet significantly more successful than their counterparts who had not developed such formal strategies. However, over the longer term it is possible that these two NSOs would start to outperform their cohorts. As Miller (1987) suggested, a match between strategy, structure and environment is neither necessary, nor sufficient for success, but it "may merely improve the chances of long-run survival" (p.56). One of the NSOs which had a protracted plan had identified increasing first participation base and then media exposure as the two key elements upon which to build its long-term strategy. This evidence of commitment to a realistic long-term strategy contrasted with one of the less successful NSOs which had recently reevaluated its impractical marketing direction. The ED explained that her NSO's previous plan "would have been good for hockey, but not for a sport as small as ours - it was so unrealistic".

Despite having reasonable marketing strategies, the EDs of the two NSOs with solid strategies only spent about 15% of their time on marketing activities. The best laid plans are unlikely to yield fruitful results if organisational resources are not committed to implementing them. This lack of real commitment to marketing was evident in the majority of NSOs in this group. None of the `internal marketers' had allocated a full-time position to the marketing area. Instead less than 20% of the ED's time was devoted to marketing in eleven of the twelve NSOs. As one ED explained, "we have a lot of people who recognise that it's really important that we have sponsors, but they are not prepared to do anything about attracting them." Another ED echoed this sentiment when he stated "marketing was identified as priority number one in the [quadrennial] plan, but I'm not sure it's been priority number one...there are possibilities out there, but they require much greater amounts of time than are presently available". The ED in another NSO suggested that verbal commitments by the board were not backed by its actions. She stated, "everyone says that they want to do it, and they honestly do, but whether or not they're willing to put any time and effort or invest dollars into increasing sponsorship is another matter...it's a philosophical priority, but it's not a priority in their day-to-day operations." Even in the one NSO in which the ED devoted 50% of his time to marketing and promotions, there was little evidence of any strategic initiative. For example, the timing of approaches to corporations was "related to our own national championships", rather than to corporate decision-making time-lines.

In addition to a lack of time being allocated to marketing and promotion within the `internal marketers', the level of marketing specialisation was also deficient. Only two of the twelve EDs had any experience or training in marketing prior to assuming their current positions. In neither of these cases, though, did the ED feel that he was able to devote sufficient time to the task to use his expertise effectively. The EDs in the other ten `internal marketers' freely admitted that they were not specialised in marketing. One ED indicated, "I would never claim to be a marketing expert: farthest thing from it"; a second ED stated "I don't think I know about marketing"; while a third ED suggested that not only did she lack expertise, but that the same was true of others within her sport "all of us have some experience in the administrative field, and physical education field, but very little in the corporate field".

The limited time and specialisation that the EDs of `internal marketers' had for marketing activities was not ameliorated by extensive use of volunteer or external expertise in the marketing area. None of the twelve `internal marketers' had an active marketing committee which vigorously sought sponsorship opportunities for their NSO. Three EDs indicated that they had no marketing committee whatsoever, while the other nine suggested that their committee was inactive. One ED explained that his marketing committee had "not been a particularly active group and even less effective"; a second ED reported that "they had sporadic meetings" with no results; a third ED suggested that her marketing committee had "generated a lot of paper, but made no money"; and another indicated "there is a marketing committee but it doesn't function." Similarly none of the `internal marketers' made extensive use of external agents to seek sponsorship on their behalf. Three had attempted to approach professional marketers to generate sponsorship, but none of them had developed a successful relationship. Each of the EDs explained that it was their experience that agents required a retainer before they would commence any solicitation. In each case, the volunteer boards had not made any resources available to pay such fees.

The limited success of the sponsorship efforts of the `internal marketers' can therefore be attributed as much to an inadequacy on the part of these NSOs to develop solid strategies and structures to enable them to identify and exploit their strengths as it can to a disadvantageous environment. Although there was some evidence that a longer-term approach was being taken in two of these NSOs, none had benefitted from such strategic foresight in the years of diminishing government support which preceded this study. In many instances, the focus for the EDs had been on survival and "putting out fires", rather than on proactive planning for the future. This is often the case in organisations with low staffing levels and resultant centralised decision-making. In such organisations, the lack of specialisation results in decisions being made intuitively, rather than as a result of careful planning and foresight (Mintzberg, 1973; Schwenk, 1984). Given the difficult environmental constraints which the `internal marketers' face, and the limited slack resources they exhibit, it is unfortunate, but not particularly surprising, that they have tended to eschew the benefits of strategic planning in their marketing efforts. This is despite evidence that as environments become more hostile (i.e., resources become scarcer, revenues decrease, and there is less scope for organisations to influence their surroundings), organisations are likely to be more successful if they become more analytical in their strategic decision-making (Miller & Friesen, 1983).

Participant Focusers

The `participant focus' group, comprising eight NSOs, illustrated the link between sponsorship success and strategic and structural factors more clearly than the `internal marketer' group. Three NSOs in this group stood out as being considerably more successful in their sponsorship efforts than the mean of $219,000. Each of these three standouts generated in excess of $450,000 in sponsorship. Of the remaining five `participant focusers', two trailed conspicuously behind the others in sponsorship success. The deficiency in performance of these two NSOs can be related to a lack of emphasis on the importance of sponsorship within the organisations. The three moderate performers in this group displayed varying combinations of: a lack of marketing expertise; unfocussed strategic direction; and an historical inability to reach large a participant base because of the structure that had been developed within the sport.

Two of the more successful `participant focusers' had forged strategic alliances with professional franchises which operated teams in Canada. The EDs of each of these NSOs had been approached by representatives of the professional franchises and had agreed to develop joint promotions which would benefit both parties. An agreement between one of these NSOs and the owners of its partner franchise was being negotiated in order to offer the NSO's marketing and promotional properties to the franchise owner as part of a joint venture. The overall marketing plan of this NSO was to develop a strategic alliance with the franchise which had considerable expertise in the areas of marketing and promotion at its disposal. In addition to having a high degree of specialisation in its marketing function, this NSO (along with its partner) had also developed formal marketing and sponsorship policies. Although the marketing strategy was in its early stages of implementation, there appeared to be a high degree of fit between its marketing direction and the broader objectives of the NSO in the areas of promoting the sport across Canada and international excellence for its national teams. For example, the ED explained that the link with the professional franchise would increase the visibility of the sport in Canada and encourage increased participation. In addition, the ED hoped that this potential for increased awareness of the sport would also generate greater interest in Canada's national team events both by the general public and media. Evidence of this was provided by the fact that the

NSO had reached an agreement with a national broadcaster to air Canada's games in the following year's world championships.

The second NSO which had developed similar ties with a professional franchise had not considered relinquishing the responsibility for marketing, ~~but had~~ attracted interest from corporations which were interested in leveraging their involvement with the professional team. Unlike the other two high achievers in this group, this NSO had a marketing committee which was fairly active. This committee was involved in developing an extensive outline of marketing properties and a multi-year plan for its marketing objectives. Given that Canadian television exposure of the sport had already reached saturation levels with the coverage of professional teams, the marketing strategy focused on developing a membership card scheme for over 250,000 members. The longer term plan involved linking the use of the card to link participants with corporate sponsors and suppliers. This NSO had developed a distinctive competence through its relationship with a professional franchise which brought its own sponsors to the NSO.

The experience of the `participant focusers' highlights, perhaps more than any other strategic group, the importance of forging interorganisational linkages in order for NSOs to flourish. As Thibault and Harvey (1997) argued, the development and maintenance of such linkages will be an essential feature of NSO strategies as traditional sources of funding diminish. They further indicated that "the benefits reaped from these links will be worth the investment of time and effort put into that area of management, particularly in these times of high economic uncertainty" (p.61). It is no coincidence that none of the five least successful `participant focusers' had developed a strategy for seeking out such linkages in order to capitalise on the strength of their participation levels.

For example, one of the least successful `participant focusers' had not been able to capitalise on the potential for developing linkages with professional elements of the sport. This was because of the strict amateur code which existed within the sport which limited the ability of the NSO to offer its membership lists to potential corporate sponsors which were associated with the sport's professional element. The ED in this NSO explained that sponsorship revenue was viewed as being "gravy". As a result, there was little evidence of a commitment to generating sponsorship revenues. The ED admitted that "we don't spend a lot of time marketing the association, so we don't have specific strategic plans" and went on to suggest that there was no direction from the NSO's board of directors when he claimed that "our board says we need sponsors: that's the strategy!". In fact, this NSO had no marketing committee, did not use any external expertise, and its ED claimed to spend only about 5% of his time on marketing activities. It is therefore not particularly surprising that it only generated about $30,000 in sponsorship revenues despite having a relatively affluent participation base of over 90,000.

The least successful NSO in this group generated $23,000 from sponsorship, most of which resulted from a licensing agreement for the use of its logo on a line of clothing. The NSO had not been proactive in obtaining sponsorship support for its activities and it was the licensee that had initiated contact with the NSO in the arrangement for the use of the logo. In general, the NSO had a remarkably haphazard approach to sponsorship activities. As was the case with some of the less successful `internal marketers', the focus of the ED had been on getting the financial affairs of the NSO in order before he set about approaching potential sponsors. At the time, the ED only spent about 1% of his time on marketing and indicated that he had little expertise in or commitment to the area when he stated "I'm not all that clear in some of those areas but I should be looking into them but just don't have the time right now". He went as far as to suggest that the NSO was not in a position to be able to promote a sponsor even if one were to approach him. He reasoned "if you go out and get a $50,000 sponsor you're going to spend a lot of time servicing that sponsor and other things aren't going to get done."

The NSO had no strategic direction for marketing its properties. Despite having a marketing committee, individual national team members had been prompted to approach corporations for funding their attendance at the world championships as a result of inactivity on the part of the committee. These approaches were of a `shotgun' nature and, not surprisingly, had met with no success. Furthermore, the NSO had not been able to develop any linkages with either its own provincial branches or other actors in the Canadian sport system. For example, the ED noted that a number of high profile professional athletes had played the sport at school and in their off-season, but had not been approached to promote their continued association with the sport.

The three NSOs which generated between $70,000 and $100,000 devoted at least 20% of one person's time to the marketing function. In one case, the ED had developed an arrangement with the ED of one of the `elaborator' NSOs who worked on a commission basis to bring corporations to the `participant focuser'. In each of these three NSOs, the ED did not consider that the NSO had any marketing expertise at its immediate disposal. For example, one ED suggested that "we don't have any background in that respect, not to the extent of really becoming knowledgeable enough to build a strategic plan". As was the case with the `internal marketers', this lack of expertise and inadequate commitment to developing specialisation in marketing goes some way to explaining the relative under performance of the less successful NSOs in this group.

Aside from the importance of interorganisational linkages, the `participant focusers' also illustrate the value of a cohesion between strategy and environment. The strategies of the more successful NSOs in this group were, in broad terms, geared toward exploiting the potential of the large participant bases of their sports. For these NSOs, this environmental factor weighed more heavily than the influence of media exposure in their strategies designed to generate corporate sponsorship. In contrast, the less successful `participant focusers' had not developed focused strategies which aimed to exploit their participant base. Instead, they appeared to be falling into a trap of following a muddled strategy and being `stuck in the middle' by attempting to pursue too many different directions (cf. Porter, 1980). These NSOs can also be likened to Miles and Snow's (1978) `reactors' whose poor performance results from inappropriate responses to the environment and a reluctance to commit to a specific strategy for the future.

Media Focusers

The mean level of sponsorship revenue of the five `media focusers' was $283,000, with the most successful NSO generating $600,000. This was almost five times as much as the least effective `media focuser' which generated $125,000. Two of the five NSOs in this group stood out as having a well-developed strategic plan which was linked to their organisational structure and drove their marketing activities. Of these two NSOs, one was the most successful `media focuser' in terms of sponsorship revenue; while the other was the second least successful. However, given that the amount of sponsorship that NSOs in this group are able to generate is conjectured to be linked closely with the amount of media exposure, it is argued here that the latter NSO was closer to achieving its marketing potential than were two other `media focusers' which generated more money. This is because the former NSO had fully exploited the media potential of the limited number of properties at its disposal, while the latter two had not been able to secure coverage for all of their Canadian events.

The MD of the most successful `media focuser' explained that his marketing efforts revolved around media properties and results in international competitions. He suggested that, at least in his sport, it was essential for Canada to have success internationally for there to be sufficient interest from network television to cover the sport. He explained that "you need the winners: the marriage of TV and international ranking has worked well for our sport". As such, there is some evidence that marketing objectives are closely tied to plans aimed at generating high performance results from the sport's top athletes. However, the MD indicated that he was not aware of what was in the NSO's four-year plan when he stated "I haven't seen a quadrennial plan since I've been here to tell you the truth". Nevertheless, there was some indication that the NSO's overall plan and its sponsorship activities were more closely tied than the MD's comment suggested. This was because the ED had also been heavily involved in initiating and implementing the NSO's agreement with its primary sponsor. The ED explained that the sport's overall strategy was to "build together" with its major sponsor and that there had been a strong coupling between the NSO's marketing objectives and its ambitions for developing the sport in Canada and internationally.

Given that this NSO had one individual who focused his attention entirely on marketing and promotions, as well as getting some input from the ED, the fact that the marketing committee was relatively inactive should not be seen as detrimental to its efforts in this area. Instead, the MD explained that the sport had a "lot of entrepreneurs who are making their living off the sport" and that these individuals were often former athletes who were helping to develop the growth of the sport in Canada. In addition to individuals who were benefiting financially from the sport, the NSO could draw on a number of volunteers who were former athletes to assist in staging events. The MD explained that the sport "promotes loyalty" and that he felt that this was "crucial to any sport's success". This culture of loyalty was reflected in the NSOs non-confrontational dealings with its star athletes and their individual sponsors. Many of these athletes had signed individual endorsement agreements with the NSO's major sponsor, so that the potential for conflict was minimised.

As with the successful `participant focusers', this NSO had developed a close alliance with another organisation in order to achieve their mutual objectives. However, in this case, the partner organisation was a corporate sponsor which derived benefit from the increased media exposure generated by the sport as a result of its international successes. In addition, the strategic decision to devote considerable resources to marketing and promoting the sport to the media appeared to be paying dividends to both the NSO and its sponsor.

The second `media focuser' which illustrated a close synergy between its strategy, structure, and environment had a total of ten sponsors. This NSO had a clearly articulated long-term plan which was closely linked with its marketing strategy which centred around a television property. In addition to a narrow focus for its marketing strategy, this NSO displayed a high degree of formalisation of marketing and sponsorship plans which were revised annually. These plans emphasised communicating to the public through various media outlets. As the ED suggested. "if you're not making people aware of your success or getting people talking about your sport, you're not going to get a big company saying `yeah, let's jump on board with these guys for six digits'". He also claimed that the television property was "the spinal chord of the whole success". However, the promotional strategy of this NSO emphasised promoting the sport through all kinds of media. At one level, this involved the creation of a television show which was produced independently and sold to a television company for broadcast. At another level, the ED ensured that international results and stories on athletes were carried in local print media by having relatives and friends of athletes contact the sports editors. The ED estimated that this activity alone generated $365,000's worth of print media coverage for the sport annually.

In addition to having a well-defined and formalised marketing strategy, this NSO had developed an ability to use the resources at its disposal in bringing its plans to fruition. While the ED spent only about 30% of his time on marketing and promotions, he was able to draw on the combined expertise of his volunteer President and Vice Presidents. Both of these individuals were well-connected in business circles, and had been involved in developing a feasible strategy for the NSO's long-term marketing success. In addition to these internal resources, the ED also explained that he hired both a sports journalist to write stories which were put on wire services, and also a publicity agency which helped in developing promotional ideas.

Despite having the smallest membership level of all NSOs in the sample combined with a limited potential for expanding its participation levels because of a paucity of facilities in Canada, this NSO had closely aligned its strategy and structure with its internal expertise and external environment. This synergy had enabled the NSO to develop a distinctive competence which had generated it sufficient levels of sponsorship to enable its national teams to be able to challenge countries with a longer history in the sport.

This synergy between strategy, structure, and environment was not evident in the least successful `media focuser'. The strategic approach to getting sponsorship in this NSO was very much reactive and, as the MD explained "seat of your pants". This individual further suggested that the NSO currently had no specific direction for its marketing efforts when he stated that "I think we're just in the process now of developing specific policies, procedures, and guidelines for marketing". In addition to having no formalised plans for its marketing activities, the NSO had not yet established a marketing committee, although the MD explained that this was considered a priority because of the lack of expertise that he and his ED had in the area. The MD had previously been employed as a communications assistant in another sport organisation, but had no formal training in marketing or sponsorship activities. Although the MD had attempted to forge some strategic linkages with two other NSOs by sharing a newsletter which aimed to increase media awareness of the three sports, the lack of overall strategic direction meant that this alliance had had little influence on sponsorship success in the organisation.

The MDs in the three of the five `media focusers' claimed to have a strategy for developing marketing and sponsorship opportunities, but these were merely in the form of "our objective is to get sponsors". The criticism that Tilles (1963, p.112) levelled at general managers in the 1960s could equally be applied to these MDs. He suggested that "there is a basic fallacy in confusing a financial plan with thinking about the kind of company you want yours to become. It is like saying, `when I'm 40 I'm going to be rich.'" In addition to having limited strategic vision, the activities of these MDs were largely separate from those of their EDs. For example, one of the MDs responded to an inquiry about whether her marketing activities were linked with the NSO's overall strategy by saying "you'd have to ask the Executive Director about that". This illustrates the problem highlighted by Dibb and Simkin (1993) who indicated that it is particularly important for marketers of non-profit organisations to have an intimate knowledge of and input into the programmes which they are selling.

The changing nature of broadcasting in Canada which will ensue from the advent of satellite television and an increase in the number of licensed cable channels means that the `media focusers' are in an environment which is likely to become increasingly turbulent and unpredictable. Under such conditions, organisations which analyse and innovate in the planning process are more likely to outperform those that do not (Miller & Friesen, 1983). Therefore, the differences in effectiveness of sponsorship efforts by the `media focusers' are likely to become even more marked as these environmental changes materialise.

Augmenters

The mean level of sponsorship revenue of the NSOs in this group was $450,000. Three of the four `augmenters' generated $450,000 or more from sponsorship programmes, while the least successful raised $350,000. One of the most successful `augmenters' demonstrated considerable synergy between its overall strategy, marketing direction, structure, and external environment. A second `augmenter' generated the same level of marketing revenue, although there was not an analogous connection between its strategy, structure, and environment. The `augmenter' which conspicuously under performed relative to the other three in the group exhibited a lack of strategic direction in, and an inability to capitalise on, its potential for marketing and sponsorship.

The successful `augmenter' which illustrated a close linkage between its strategy, structure, and environment had recently employed one individual who was responsible for the entire operation of its marketing and promotional efforts. This individual, the MD, suggested that he was happy to be left to his own devices and did not have other obligations in the NSO when he stated "I don't have to worry about any political crap. I just work on marketing". Given his considerable background in marketing and promotions in other sport organisations, the NSO's structure which did not have him reporting to a marketing committee appeared suitable. He argued that "you're already at one hell of a disadvantage geographically being in Ottawa, so if you've got to go through a volunteer committee that meets two or three times a year, then you're a marketer in name, but not really an operational marketer". He explained that the NSO had some control over his activities as a result of the nature of his contract of employment. This meant that "if I don't raise funds, they'll get rid of me: it's a terrific arrangement".

This MD had developed a proactive marketing/sponsorship strategy which, he described, was analogous to a four-legged stool consisting of communications, marketing, promotion, and advertising. The MD suggested that the integration of each of these elements was crucial for the success of his longer-term strategy for the sport. In particular, he argued that promotion "costs you nickels and dimes, but it's essential". For example, he ensured that profiles of winning athletes were sent to media outlets in their hometowns immediately after completion of their races at the national championships or Olympic trials competitions.

A deliberate strategy had been adopted by the NSO in 1993 which aimed to enable the marketing side of the sport to finance the various high-performance and development initiatives outlined in the strategic plan. As such, the MD explained that he was aiming to position the NSO as "a business within a lucrative industry". This overall strategy was directly related to the marketing direction of the sport through the NSO's hiring of a media specialist whose role was to ensure this new business-like image was being portrayed to the NSO's external publics. One example of this positioning strategy was to develop a teaching programme for the sport. The MD lamented that "we're the only sport that I know of that doesn't teach the sport at an introductory level and I think that's a cash cow that's going to be worth hundreds of thousands of dollars in five years".

In addition to having suitable strategies in place to take advantage of the NSO's external environment, there was also evidence that the NSO's structure was being brought into alignment with its new direction. For example, the NSO's annual report stated that it (the NSO) "may have a head (the national office), but it cannot survive without tentacles (the PSOs). It is imperative that all body parts work together to move forward". In addition, the NSO had developed the ability to reach all its participants via newsletters which were sent to clubs. A further structural element which tied in with the NSO's marketing direction was the steps being taken to encourage elite athletes to promote both the sport and its commercial partners. For current athletes, this was done through individual financial incentives which were provided to athletes who promoted sponsors in post-race interviews via displaying corporate logos. The MD also had made considerable efforts to tap into the promotional potential of illustrious alumni from the sport. For example, for the cost of a return air-fare and accommodation for him and his family, one famous former athlete had been used to entertain the NSO's corporate sponsors at a major games event.

The concurrence of structure, strategy, and environment in this NSO was not matched by the least successful `augmenter'. This NSO had not fully developed its overall marketing strategy which had little linkage with its potential for drawing on a participation base which exceeded 120,000. Instead, marketing efforts had been focused on the development of a television property which had not generated significant amounts of revenue for the NSO. The ED in this NSO spent approximately 15% of his time on marketing efforts, and had contracted an external agency to conduct the NSO's marketing. This agency had concentrated on event marketing, rather than attempting to jointly promote tournaments and the large participation base of the sport. The ED explained the rationale for the concentration on television properties as being "that's where you can get the numbers", apparently disregarding the potential of his NSO's membership levels. The decision to hire an external agent distinguished this NSO from the other three `augmenters' and provides an example of a misplaced strategic focus resulting from an organisation's inappropriate structure. As a result of divorcing the marketing of the organisation's programmes from the remainder of its operations, the marketer had little input into developing an integrated package which could be offered to potential sponsors. This structural arrangement resulted in what Mintzberg and Waters (1985) refer to as an "unconnected" strategy. Such strategies are formed in somewhat of a vacuum with little direct correlation to the broader business-level strategy being pursued by the organisation. This kind of isolationist approach to strategy-making and implementation runs counter to the arguments made by Hill and Jones (1989) who stressed the need for synergies between different levels of organisational strategy.

It is interesting to note that this structural arrangement coincided with the fact that this NSO was the only one of the four to underestimate the potential for marketing to its participant base. Aside from the MD who was adding a teaching programme to his extensive list of media properties, the MDs in the other two `augmenters' divided their time between promoting participation-based programmes and media properties to potential sponsors.

Also at a structural level, the under performing `augmenter' had developed a number of formal policy manuals which clearly outlined responsibility for sponsorships at the national championship levels. The ED explained that he had a "responsibility chart which goes right down to the bags at nationals". But he also suggested that this level of formalisation was only a relatively recent development when he stated that "prior to me starting in this job, the provinces got nothing back from national sponsorship and so there was a fair degree of reluctance to support the sponsors". This aversion that the PSOs had had to promoting national sponsors contrasted with the situation in the more successful `augmenter' in which benefits flowed from the NSO to its "tentacle" branches.

The remaining two `augmenters' showed similar levels of sponsorship success which were derived from rather different strategic directions. For one, the emphasis had been on developing media properties, while the other had stressed its participant base. Given the relative state of their environments, the strategic directions chosen were likely to be more rewarding than ones which placed equal weight on developing each of the two major environmental determinants of sponsorship success. However, unlike the least successful `augmenter', neither of these two NSOs had completely neglected the potential for developing properties which related to that aspect of its environment which currently offered fewer opportunities.

While these two `augmenters' had developed relatively sound overall strategies and had some formal marketing and sponsorship policies, they were not as advanced in these regards as the other thriving `augmenter'. The relatively similar sponsorship revenues generated by these three NSOs indicates the possibility that similar outcomes can result from different degrees of planning, at least in the short term. However, these cases also illustrate the need for longitudinal studies designed to determine the longer term effects of suitable modes of strategic planning (cf. Miller & Friesen, 1983)

Elaborators

Of the five NSOs which enjoyed both an extensive media profile and high participation levels, one stood out from the rest in the success of its marketing and sponsorship efforts. The most successful NSO in the sample generated $7 million which was more than double the success rate of the other four `elaborators' which each generated the equivalent of between $2 million and $3 million. One of these `elaborators' had only just begun to market its events professionally and received only $500,000 directly from sponsorship activities despite extensive media coverage and the largest membership base of all NSOs in the sample. However, because of the nature of its sponsorship programme which was run by an external agent which incurred costs of approximately $2 million to stage events under its control, this NSO's sponsorship revenue was estimated to be $2.5 million for comparison purposes.

By far the most successful NSO in the sample in terms of sponsorship revenue generation had developed a strong match between its strategy, structure, and environment. The environment was characterised by extensive live television coverage of a number of major events which are held annually in Canada as part of an international circuit which enjoys considerable media coverage throughout the world. By being the governing body responsible for its sport in Canada, this NSO has an inherent structural linkage with the international governing body which guarantees that international events will be held in Canada and that some of the top athletes in the world will attend. The fact that these athletes attend the Canadian events also ensures that there will be television coverage. As the ED noted, sponsorship is "a much harder sell" without television. In addition to its productive linkage with its international federation, the NSO also has close ties with its constituent PSOs. The ED explained that "we work very closely with them because they are our members. They are almost like branch offices". However, he did recognise that some of the PSOs do not appreciate that all the surplus of the NSO goes back into the sport at the local level.

Perhaps the main feature of its marketing efforts that distinguished this `elaborator' from its cohorts was the commitment which had been made to marketing and the staff specialisation in this area. In addition to the ED, no fewer than ten full-time staff were employed to market the NSO's properties and events. Each of these individuals was a professional marketer with considerable experience in the industry. This included the ED who had previously worked for one of the world's leading sports promotion agencies as a marketer. As a result of this considerable expertise, the NSO had no need for a marketing committee composed of volunteers.

Formal targets had been established by the ED, who oversaw the team of professional salespeople. He explained that each of them was expected to make at least twenty contacts with potential sponsors weekly, and that they were required to generate at least 250% of their salaries in revenues. In addition to formal targets for sales staff, the ED indicated that the NSO had developed some regulations governing the nature of sponsorship agreements. For example, there was a policy that one-year agreements would only signed at the beginning of a relationship. This resulted in the NSO having the opportunity to develop a property and build a relationship with a sponsor over a longer period of time. Despite this formalisation of a number of procedures in the sponsorship process, the ED explained that there was not one single document which outlined the NSO's overall strategy in this area. He explained that this was "because we're more sophisticated than any document can cover"

These structural elements of the NSO's sponsorship approach were supported by a number of strategic factors. The NSO had a feasible and realistic marketing strategy, given its extensive TV exposure and large participant base across Canada. This strategy aimed to capitalise on the opportunity for media profile, but also highlighted the affluence of the player base. The fact that the ED took active role in developing sponsorship properties, despite having full-time sales staff of 10, illustrated that marketing and promotion were considered an important aspect of the NSO's overall operations. This strategic commitment to marketing was also reflected in the extensive resources which were devoted to servicing of agreements. The emphasis on the importance of a comprehensive understanding of and contribution to corporate rationales for being involved in sponsorship was highlighted by the ED's comment that "companies don't buy sponsorships just to put their sign up in our market. They buy because there's a real reason for buying: there's a strategy behind their sponsorship and most times we've been involved in helping them put that strategy together".

The most successful `elaborator' had therefore identified and exploited a distinctive competence in the area of marketing and sponsorship. This had been done through recognising the favourable environment in which the NSO operated, and by committing considerable resources to the development of marketable properties, and to the promotion and selling of those properties. This had been achieved despite Canada's not being ranked in the top ten nations in the world in the sport, and its having few widely recognised individual athletes.

This contrasted greatly with one of the least successful `elaborators' which, despite being ranked first in the world, enjoying extensive live television coverage, and having the largest participation base of all the NSOs in the sample, only generated $2.5 million from sponsorship activities. While this is an amount with which most of the organisations in the sample would be more than content, in comparison with the most successful `elaborator' it is a relatively low figure.

This NSO had recently contracted an external agency to conduct all its event marketing activity. In a unique relationship with this agent, the NSO had traded any risk in the amount of revenue for the certainty of an annual rights fee, together with a percentage of gross revenues, which it agreed with the agency. There had been little activity in the marketing area in the years prior to the agreement with the marketing agency. As the ED explained, "nothing had been put in place...and they had volunteer committees set up for years". In addition to not having previously had a long-term strategy for marketing its extensive media coverage and participation levels, there is evidence that the professional staff were making little attempt to link the marketing activities of the external agency to the rest of the administration of the sport. The ED explained that the relationship with the agency meant that the staff could "get on with running the sport", indicating that he felt that marketing was a separate entity which could be separated from everything else. There was further evidence of this attitude in the ED's explanation that "everything is left up to the agency". Despite a previous lack of commitment to marketing, the NSO had forged a strategic alliance with its international federation in which an agreement had been reached for Canada to host major events on a regular basis. As the ED explained, "if we weren't on side with the international federation, there'd be a good chance that we'd be competitors with them". This was because Canada is the only country which enjoys extensive media exposure and a popular following in this sport.

The NSO had experienced a considerable amount of well-publicised conflict with its elite athletes who were demanding a portion of the rights fees which were being paid to the NSO. The ED explained that the NSO had "never had a close association with the players", but also admitted that a lack of communication and jurisdictional ambiguities had led to some of the conflicts its was experiencing. He indicated "I don't think anybody in the [NSO] has any problem with the players getting money...it's a matter of educating the players and the public in terms of what they get: I think a lot of them don't understand or appreciate what they get at this point".

Further evidence of the NSO's limited internal marketing expertise was given by the fact that little attempt had been made to market to participants. The MD explained that his job was not one of a traditional MD, but was more of a promotions officer whose aim was to maximise exposure for the sport and "market the sport to the public". However, no means of reaching over one million registered participants had been developed. In fact, there was little evidence that this NSO had made attempts to benefit significantly from the huge potential of marketing directly to its participants.

The other three `elaborators' had each developed both their media and participation-based properties in a more balanced fashion. Although the MDs of each of these NSOs recognised that their media properties were essential for the success of their sponsorship programmes, they also had made concerted efforts to increase the revenue generating potential of their PBs. Each of the three had highly developed long term marketing strategies which were closely tied with the overall organisational objectives. In addition, the two more successful NSOs had formal marketing strategies and sponsorship policies, while the MD in the least successful `elaborator' admitted that she did not have formal policies in place for all the NSO's properties.

As was the case with each of the other four strategic groups, there was considerable support for the hypothesis that strategic and structural factors moderated the effects of these NSOs' environments. When assessing the relative success levels of the `elaborators', it is important to realise that a munificent environment is likely to be a significant indicator of organisational success. This is because such environments provide a context for success regardless of strategy (Dess & Beard, 1984). However, the position of strength associated with extensive media exposure of each of the five `elaborators' had not arisen by accident. For one of the `elaborators', television exposure had resulted from a partnership formed in the early 1980s between the NSO, a marketing agency, and a television network. This alliance had coincided with an increase in success of Canadian athletes in the sport which made the property more marketable as a television sport (by increasing the viewer ratings). However, the MD was wary of promoting television exposure which might reflect poorly on the NSO. He told us, "you have to be on TV, but only if you have a high-quality product". The sentiment that quantity of television exposure was no substitute for quality was reiterated by the MD of another `elaborator' who indicated that the amount of television coverage would be reduced the following year, but the broadcasts would be aired at a time when more enthusiasts of the sport were likely to be watching, rather than participating.

General Discussion and Conclusions

It has been shown in the literature which has concentrated on strategy in organisations in the for-profit sector that a feasible strategy is an important influence on success (cf. Ansoff, 1965; Chandler, 1962; Mintzberg, 1987; Porter, 1980). This is true of strategies devised for implementation at the corporate, business, or functional levels (Varadarajan & Clark, 1994; Walker, Boyd, & Larréché, 1992). Following the work of Butler and Wilson (1990) and Thibault et al. (1993; 1994), this study has confirmed that suitable business-level strategies are also important for success in non-profit organisations. Furthermore, it has been asserted that this is true of strategies at the functional-level which are associated with sponsorship.

Nevertheless, it is important to note that there is no single `blueprint' strategy which can be productively adopted by all organisations, even if they operate in the same sector. In order to examine the types of sponsorship strategies which might result in success for different NSOs, it was first necessary to develop a framework for categorising them according to the munificence of their environment. Once this had been accomplished, it was possible examine a variety of strategic and structural factors which contributed to relative levels of sponsorship success or failure.

Two primary influences on an NSO's ability to generate revenue from corporate sponsorship were proposed in this chapter. These two antecedents are media exposure and participation base. It was also asserted that there is little that NSOs can do, at least in the short term, to influence either of these factors. They were therefore specified as environmental determinants of sponsorship success. These two factors were used to establish a framework to enable a comparison between different NSOs which faced similar environmental constraints and opportunities. The sample of thirty four organisations was categorised into five strategic groups according to the two environmental variables of sponsorship success.

This framework is, in effect, a typology of sponsorship strategies based on the context in which the NSOs operated. It was noted that the most successful `internal marketer' showed characteristics which would place it in the `media focuser' category. It is quite possible that, over time, other NSOs could move from one strategic type to another if they are able to implement long-term strategies aimed at improving either their level of media exposure or participation base. Thus, as with any typology, this one should not be taken as a static framework. As Miles and Snow (1978, p.30) explained, classification systems are "unlikely to encompass every form of organizational behaviour", but they are useful in that they provide a means of ordering and prediction. The typology presented here assisted in identifying characteristics common to different organisations. This allowed for an investigation of the various factors which influenced the success of sponsorship efforts made by NSOs operating under similar circumstances.

The evidence presented in this chapter indicated that even when the two primary environmental influences on the viability of NSO sponsorship efforts were controlled for, there was still a wide disparity of success rates in generating revenue from corporate sources. It was argued that a variety of factors other than media exposure and participation base could be used to explain why this might be so. These other influences on success include strategic and structural elements which had been adopted or eschewed by the NSO.

The different environmental constraints and opportunities faced by NSOs dictate that different strategic approaches are necessary for the success of their sponsorship programmes. In the contingency approach to studying organisations, a suitable fit between strategy and environment is seen as essential for success. For example, it has been suggested that "no universal set of strategic choices exists that is optimal for all businesses, irrespective of their resource positions and environmental context" (Ginsberg & Venkatraman, 1985, p.421). Thus, in Canada, it would be unreasonable for a sport such as cricket with a low media profile and few participants to adopt the same approach to raising sponsorship income as a sport like (ice) hockey. Moreover, the work of Miller (1981; 1986; 1987a; 1987b; 1988; 1989) has highlighted the fact that an organisation's structure should also be aligned with its strategy and its environment in order to increase the chances of organisational success. For example, a NSO employing a marketing specialist would likely adopt a different approach from a NSO relying on a generalist ED for raising sponsorship funds, even if both faced a similar environment. In other words, it is important that decision-makers consider not only the nature of their NSO's environment, but also its internal structure prior to devising a strategy for generating sponsorship revenue. Fortunately for administrators, these non-environmental factors are more manipulable than are the two primary determinants of sponsorship success.

As a result, those responsible for forging partnerships between NSOs and the corporate sector should recognise that each NSO has its own unique history and tradition in this country, and that this is likely to affect both the environment in which it operates, and the appropriate structures and strategies which are adopted. Nevertheless, some broad conclusions can be drawn from this study which would likely benefit those organisations which are in the process of establishing or evaluating their marketing and sponsorship strategy.

First, it is important that managers and administrators of any organisation are able to recognise the constraints, limitations, and opportunities present in the environment in which it operates. This is because organisational viability has been shown to be a function of ability to master challenges posed by environments, whether or not the environment is selected or imposed (Miller & Friesen, 1983). In the context of this study, NSO decision-makers must recognise the challenges presented to their sponsorship and marketing efforts by their sport's current levels of media exposure and participation.

However, it should also be remembered that, over the longer- term, managers are able to influence their environments through strategic activities. It is therefore important that managers of these organisations consider the development and implementation of long-term plans to enhance the favourable characteristics of their environment. It has been claimed that organisations should only focus on one primary target in developing strategies since "implementing them requires different resources and skills" (Porter, 1980, p.40). Adopting Porter's approach would suggest that NSO managers in all categories except `elaborators' should focus on developing either media exposure, or participation base (but not both simultaneously) in order to achieve long-term success. However, other researchers have argued that a mixed strategy can prove effective under some circumstances because this increases flexibility and broadens an organisation's vision (cf. Miller, 1992; Murray, 1988). Thus, it is quite feasible for NSOs to develop long-term plans aimed at enriching their environment.

However, as was shown by the example of the `internal marketer' which had done this, it is unreasonable to expect such plans to yield results in the short-term. Of the two environmental characteristics which were identified as being antecedents of sponsorship and marketing success, the potential for changes in media exposure is not to be underestimated. Although it has been argued that this is particularly difficult for NSOs to influence on their own, there are considerable changes occurring in the broadcast industry in Canada which are likely to provide increased opportunities for television exposure of sports events. These include the recent granting of a licence for a second sports cable company, and the proliferation of satellite broadcast channels (Alain Lafleur, Sport Canada, personal communication, January 15, 1997). However, in order for NSOs to be in a position to benefit from this change in their environment, it will become even more important that they have developed solid strategies for promoting their events to potential broadcasters. In other words, it is essential that NSO strategies are matched with their environment (cf. Miller, 1988)

The influence that analytical strategic planning is likely to have on sponsorship success is another feature which this investigation highlights. Although the organisations in the sample have been required to produce formal four-year plans for a number of years in order to qualify for government funding, these have often been viewed as a nuisance, rather than a productive exercise (cf. Kikulis, Slack & Hinings, 1995). Indeed one of the MDs indicated that he felt that sport in Canada had been "planned to death" by government consultants. However, the same individual also explained that he had developed his own plan for marketing his sport which had contributed to his success. As Mintzberg argued, "following the buffeting that planning has received, perhaps now people are more inclined to consider it in a more reasonable way, as neither a panacea nor the pits, but a process with particular benefit in particular contexts" (1994, p.4).

The importance of a feasible strategy in the area of sponsorship and marketing is highlighted by the fact that each of the most successful NSOs in the sample had a clear direction in promoting their programmes and events. Whether or not this strategy was a formal and deliberate one appears to have been less important than whether the members, volunteers and professional staff had reached a consensus on how the NSO's marketing goals could be attained and were working to implement these ideas. For example, the most successful NSO in the sample had no formal document which outlined its marketing strategy, but the decision-making and direction that the NSO was taking in this area was clearly delineated in the minds of the professional staff members whose responsibility it was to formulate and implement the strategy. Many of the marketing strategies being pursued by NSOs seem to be "emergent" rather than "deliberate" ones (Mintzberg, 1987). While Mintzberg suggested that there is a place for both forms of strategy-making, few of the NSOs in the sample had succeeded in marketing their events, programmes, and teams without a pre-determined strategy. This merely acts to reinforce the notion that many NSO approaches to sponsorship currently leave much to be desired.

In addition to exposing the benefits associated with developing and implementing strategic plans for their marketing efforts, this study also provides support for Miller's (1988) assertion that managers should "pay particular attention to maintaining and building complementarities between business strategy and its structural and environmental contexts" (p.304). However, despite the benefits associated with ensuring such synergies, it is also evident that these are not going to ensure good performance if they are misplaced. For example, the `augmenter' which had devoted considerable resources to cultivating its media properties at the expense of developing the marketing potential of its participant base, had under-performed its cohorts. These other `augmenters' had not ignored their participants as a potentially productive component of their environment. As Miller (1988, p.282) noted, "neither strategies nor structures alone, nor a suitable match between environment and structure, will be adequate to ensure good performance".

The final feature of successful marketing and sponsorship programmes that this study highlights is the existence of synergies between marketing strategies and overall organisational objectives. In the more successful NSOs in the sample, linkages between the business-level and functional-level (marketing) strategies had resulted in greater potential for achieving marketing goals, while simultaneously maintaining the integrity of programmes and events. Conversely, in the less successful NSOs, there were numerous examples of marketing efforts which demonstrated little relationship to the overall strategic direction of the organisation. At the theoretical level, these results provide support for the argument that successful "functional level strategies are not formulated in a vacuum but in a context set by business-level strategies" (Hill & Jones, 1989, p.93). They also corroborate the findings of Dibb and Simkin (1993) who suggested that the success rates of leisure service organisation promotional programmes improved if marketers were involved in developing as well as implementing them.

Furthermore, such synergies between different levels of strategy also appeared to have reduced the potential for conflict between the variety of actors responsible for organising and implementing successful programmes and events, including NSOs, PSOs, clubs, local organising committees, agents, and athletes. This was because of a reduction in the structural antecedents of organisational conflict which include such factors as jurisdictional ambiguities, task differentiation, communication obstacles, and resource scarcity. The existence of each of these factors has been shown to increase the likelihood of dysfunctional macro-organisational conflict, particularly in voluntary sport organisations (Amis, Slack, & Berrett, 1995).

One of the initial research questions aimed to determine the processes involved in the determination of NSO sponsorship strategies. However, given that over two fifths (43%) of the interviewees the sample claimed that their NSO did not have marketing or sponsorship strategies, it appears that the question should be restated. Despite the evidence in the literature on strategy that formalised, rational process or variety of processes are likely to result in increased performance, this advice does not appear to have been heeded by a large number of

NSOs in their quest for sponsorship. Perhaps it should be asked why there is an apparent gap between accepted methods of strategy formulation in theory and actual patterns adopted in practice among this sample of NSOs.

A number of reasons spring to mind. First, it was evident that insufficient resources (both human and financial) were being allocated to the area of sponsorship in many NSOs. A second reason, related to the first, was the apparent lack of commitment to a sponsorship programme on the part of volunteer boards of directors. It is the members of these boards who, after all, are ultimately responsible for decisions over human and financial resource allocation. A third reason was that some NSOs had been relatively successful in their attempts to generate sponsorship without having previously utilised formal planning. In order for these organisations to be convinced of the need to develop a more formal process in the generation of marketing and sponsorship strategies, the professional staff and volunteer boards of directors must be persuaded that the potential benefits from developing a strategy will outweigh the actual (and perceived) costs. A fourth reason why some of the NSOs in this sample had not developed strategies in the area of sponsorship was one of priorities. In the wake of the task force report, Sport: The way ahead, all NSOs went through a process of justifying their continued receipt of government funding. For most NSOs in the early 1990s, the federal government remained as the single biggest financial benefactor. Although only three of the sample NSOs explicitly recognised Sport Canada as a sponsor, the time spent on responding to various government inquiries and the Core Sports analysis resulted in less time being available to instigate planning for corporate sponsorship and marketing.

However, as the necessity for NSOs to generate alternative forms of funding continues to increase as a result of enduring government cutbacks, many of these organisations will need to place a higher priority on acquiring the ingredients of a successful sponsorship and marketing recipe. If this is not done, then it is likely that the menus from which new revenues can be drawn will be severely limited.

Table 2-1

Strategic Groupings of NSOs According to Media Exposure and Participation Base

		MEDIA EXPOSURE					
		MINIMAL		*MODERATE*		*EXTENSIVE*	
		Internal Marketers		*Media Focusers*			
		NSO CODE	Revenue ($'000)	NSO CODE	Revenue ($'000)		
PARTICIPATION BASE	*LOW*	IM1	200	MF1	600		
		IM2	60	MF2	300		
		IM3	55	MF3	250		
		IM4	50	MF4	140		
		IM5	50	MF5	125		
		IM6	45				
		IM7	45				
		IM8	30				
		IM9	30				
		IM10	20				
		IM11	15				
		IM12	10				
		Mean = 54		Mean = 283			
		Participant Focusers		*Augmenters*		*Elaborators*	
	HIGH	PF1	500	A1	500	E1	7000
		PF2	500	A2	500	E2	3000
		PF3	450	A3	450	E3	3000
		PF4	100	A4	350	E4	2500
		PF5	85			E5	2000
		PF6	70				
		PF7	30				
		PF8	23				
		Mean = 219		Mean = 450		Mean = 3500	

Table 2-2

Sponsorship Success in Members of Strategic Groups

Strategic Group	*Mean* ($'000)	*Minimum* ($'000)	*Maximum* ($'000)
Internal Marketers	54	15	200
Media Focusers	283	125	600
Participant Focusers	219	20	500
Augmenters	450	350	500
Elaborators	3500	2500	7000

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CHAPTER 3
Corporate Sponsorship and Organisational Strategy: Bridging the Gap

The use of sport sponsorship by corporations to achieve marketing and other objectives has become increasingly significant in recent years. Worldwide sponsorship of sport was estimated to amount to $5.6 billion[1] in 1991 which represented a nominal increase of greater than 30% over the 1987 approximation of $4.1 billion ("The sports business", 1992). More recent estimates allege that total worldwide sponsorship spending amounted to $13.0 billion in 1994 (Sponsorship Research International, 1995) and would be $15.4 billion in 1997, of which sport would account for a two-thirds share (International Events Group, 1996). Furthermore, these figures only represent the amounts spent on acquiring sponsorship rights. It has been reported elsewhere that some companies spend up to three times this amount on leveraging their association (Otker, 1988). Thus, although it was once true that sponsorship was undervalued as a means of promotion, there is evidence that corporate marketing and promotions managers are coming to believe that substantial benefits can be reaped from the association of their company with sport (Marshall & Cook, 1992; Meenaghan, 1991; Sleight, 1989; Thwaites, 1995).

However, despite the increasing role that sponsorship is taking in the financing of sport organisations and events in all parts of the world, very little systematic research has been done into the dynamics of sponsorship strategies. This is not to say that there have been no attempts to investigate the objectives which corporations hope to achieve from sponsorship. On the contrary, a large number of studies on sponsorship of sport have been conducted in Europe (for example, Boulet, 1989; Meenaghan, 1991; Otker, 1988; Quinn, 1982; Simkins, 1986; Thwaites, 1993; 1994; 1995; Waite, 1979; Witcher, Craigen, Culligan, & Harvey, 1991), North America (for example, Copeland, Frisby, & McCarville, 1996; Kuzma, Shanklin, & McCally, 1993; Stotlar, 1992; Wilber, 1988) and elsewhere (for example, Abratt, Clayton, & Pitt, 1987; Abratt & Grobler, 1989; Pope & Voges, 1994; Scott & Suchard, 1992; Shilbury & Berriman, 1996). However, most of these studies have outlined a number of *motives* that lie behind the corporate commitment to sponsor. What they have not done is investigate the *processes* surrounding sponsorship. More specifically, they have not sought to clarify the relationships between sponsorship and such factors such as corporate culture, leadership, competitive environment, and strategy. Although the existence of these linkages is intuitively appealing, Cornwell lamented that "the absence of an overarching view of sponsorship is noted, especially one that takes a strategic perspective" (1995, p.13). In fact, the vast majority of the previous studies of sponsorship have been largely descriptive in nature, and devoid of theoretical insight.

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[1] All dollar figures refer to $US unless stated otherwise.

Over the past twenty years or so, sponsorship practices have changed considerably. In the 1970s it was considered to be an aspect of philanthropic giving. In the 1980s, sponsorship was evaluated according to a more direct sales-oriented approach. At present, sponsorship is starting to be integrated with a corporation's overall strategic positioning, as marketing is becoming more integrated with other facets of corporate operations (Cornwell, 1995; Wilkinson, 1993). Rather than being an undervalued element of marketing or promotion which is distinct from business-wide strategy, sponsorship begun to be viewed increasingly as something which contributes to the attainment of strategic objectives. "In the early 1980s, sports marketing assumed a new level of sophistication. It became a discipline involving larger investments, serious research, strategic management, and ultimately business-building promotions" (Wilber, 1988, p. 8). Further to this, Mescon and Tilson (1987, p.50) asserted that the "giving of precious business dollars is being tied ... more closely to corporate strategic plans, goals, and objectives". There can therefore be little argument that sponsorship has taken on greater significance as a component of overall corporate strategy. Thus, Cousens and Slack suggested that greater theoretical understanding of the sponsorship process would necessitate taking into consideration "the strategic nature of these sponsorships and how they influence and are influenced by the structure, context, and processes of the sponsoring organization and the nature of the industrial sector in which it operates" (1996, p. 185).

Nevertheless, despite the importance now placed by corporations on sponsorship as a promotional and strategic tool, and rapid increases in expenditures on sponsorship, there is little empirical evidence or analysis of the influence of organisational strategy on sponsorship. Although sponsorship is perceived as a strategic investment, most of the existing research on the subject has simply provided what amounts to 'check-lists' of desired outcomes. However, theories of strategy are considerably more involved than objective-setting. Consequently, the central objective of this chapter is to analyse in more depth the integral relationships between corporate sponsorship activities and organisational strategies. In order to achieve this goal, three sub-issues are addressed. First, the various ways in which diverse types of strategy can impact upon sponsorship activities are assessed. By investigating corporate sponsorship with this in mind, greater insight into the interactions between sponsorship and the complex world of organisational strategy will be generated. Second, it is argued that sponsorship activities do not occur in a vacuum, unconnected to other strategic objectives which corporations pursue. Thirdly, it is asserted that sponsorship decisions are not arrived at without considering external factors which influence strategic decisions. Thus, it is proposed that successful sponsorship programmes will tend to exhibit synergies between the corporate, business, and functional level strategies of the corporations that undertake them. Conversely, the effectiveness of sponsorship efforts in those corporations in which sponsorship endeavours are adrift from other organisational strategies is likely to be limited.

In order to situate this study in the context of previous efforts to identify the strategic rationales behind sponsorship activity, the next section provides a brief commentary on the existing literature on corporate sponsorship. Following this, the theoretical underpinnings behind the assertion that sponsorship and broader strategic objectives should be linked are reviewed. This section of the chapter is followed by an account of the method which was employed to collect and analyse the data used for this study. The findings and a discussion thereof are then outlined. This is followed by a brief concluding section which highlights the implications of these results for managers of both corporations and those organisations which are seeking sponsorship support.

Theoretical Background

Sport sponsorship has frequently been described as a strategic activity of corporations (Cornwell, 1995; Cousens & Slack, 1996; Gilbert, 1988; Otker, 1988). Sponsorship is strategic because it involves an allocation of resources to achieve corporate objectives and because it can align an organisation with its environment (Haley, 1991). However, despite the increasing role that sponsorship is taking in the financing of sports events in all parts of the world, little is known about the dynamics of the sponsorship relationship. Indeed, Cornwell contended that "there is a perplexing lack of an integrated in-depth examination of sponsorship purpose, objectives, strategy, and evaluation". This sentiment was mirrored by Copeland et al. (1996) who claimed that "despite an emerging interest in the dynamics of sport sponsorship relationships, there is a paucity of empirical research on the topic" (p.34). They concluded their study of seventy-five Canadian corporate sponsors by calling for additional research into the dynamics of the sponsorship process.

One early exception to these generalisations was the work undertaken by Waite (1979) in Britain. He concentrated on the role of evaluation in his attempts to further understand the strategic nature of sponsorship in corporate communication and presented a sponsorship model which incorporated broader marketing objectives. Yet over a decade later sponsorship was still viewed as "a relatively youthful and dynamic industry [...] undergoing several fundamental changes" (Meenaghan, 1991, p. 10). Today, despite these changes, and the increasing magnitude of corporate resources being directed toward sponsorship, there have been limited substantive attempts to develop a deeper understanding of the linkages between corporate sponsorship and organisational strategy.

Recent efforts to bridge this gap in the literature have been made by Thwaites (1994; 1995) who analysed the promotional activities of British financial institutions and sponsors of professional soccer. Also noteworthy are Cousens and Slack (1996) who investigated sponsorship by Canadian fast food franchises; and Amis, Pant, and Slack (1997a) and Amis, Slack, and Berrett (1997b) who illustrated the utility of corporations viewing sponsorship as a strategic investment which could render a competitive advantage. These latter studies have highlighted the strategic nature of sponsorship by drawing on the literature on the resource based view of the firm (notably Barney, 1986; Grant, 1991; and Peteraf, 1993), as well as the notion of core competencies (Prahalad & Hamel, 1990). This view of competition stems from the argument that sustainable competitive advantage emerges as a result of the accumulation of firm-specific resources which are heterogeneously distributed across an industry. Firms which accrue such assets are able to perpetuate the benefits (or, in economist's terms, *abnormal profits*), even in the face of countervailing actions of existing competitors and potential industry entrants (Amit & Schoemaker, 1993; Black & Boal, 1994; Grant, 1991; Peteraf, 1993).

These studies have gone some way to enhancing our understanding of the strategic nature of corporate sponsorship. However, they have not fully addressed a key issue which is likely to influence both the initial decision to become involved in a sponsorship arrangement, and the likelihood of the sponsorship being seen as a `success' by corporate decision-makers who determine whether or not to renew their agreements. In this chapter, it is proposed that a crucial consideration which lies behind such decisions is assessing the position that sponsorship occupies in corporate and business level strategies, and ascertaining the influence of those strategies on sponsorship programmes.

In order to expand the scope of our understanding of sponsorship initiatives beyond the confines of functional marketing strategy, it is useful to draw on the management literature which identifies three levels at which strategy can be formulated and implemented. The conceptualisation of strategy in terms of corporate, business, and functional level strategies has gained wide acceptance in the strategic management and marketing literatures (Hill & Jones, 1989; Robbins & Stuart-Kotze, 1994; Varadarajan & Clark, 1994; Walker, Boyd, & Larréché, 1992). Under this categorisation, strategy at each level is presumed to have a well-defined domain. As a consequence, decision-makers are usually assumed to develop and adopt strategies at their respective levels of the corporation.

Corporate level strategy seeks to identify the type of businesses that an organisation should operate in, and is concerned with management of a diversified company's growth and development in order to maximise long-run profitability (cf. Glueck, 1976; Haspeslagh, 1982; Pearce, 1982). Business level strategy aims to determine how an organisation should compete in its chosen sphere of operations. This level of strategy is usually explained in terms of how a firm strives to achieve and maintain a competitive advantage in specific product markets. The main concerns of business level strategists are to emphasise the distinctive competences (or skills and resources) that the business has at its disposal, and to co-ordinate different functional strategies which support the business-unit (Beard & Dess, 1981; Miles & Snow, 1978; Porter, 1980; 1985). The purpose of the functional level strategy is to determine how the objectives outlined in the business-level strategy will be supported by a particular element of the organisation such as human resources, research and development, finance, or marketing (Hill & Jones, 1989; Montanari, Morgan, & Bracker, 1990; Varadarajan & Clark, 1994).

To enhance organisational effectiveness, it has been suggested that linkages between corporate, business, and functional level strategies should be attainable and consistent with one another, as well as with organisational goals and objectives (Hill & Jones, 1989; Varadarajan & Clark, 1994). Hill and Jones further stressed the need for communication links and information flow between different levels of goal setting, strategy formulation, and strategy implementation. These linkages between different levels of strategy within an organisation are essential in order to reduce the likelihood of conflicts between functional departments, and between strategies being pursued at separate levels. In their recent efforts to relate sponsorship to the resource-based view of the firm and core competencies, Amis et al. (1997a; 1997b) claimed that sponsorship can represent a unique resource through which corporations can build competitive advantages. In essence, they argued that sponsorship can contribute to an organisation's functionally derived distinctive competences. These assist in defining the corporation's strengths and weaknesses which, in turn, help to determine a set of feasible business-level strategic directions. As a result, it is proposed here that one are likely to see corporate level and business level strategies having an explicit influence on the nature and type of sponsorship in which a corporation will become involved.

This categorisation of three levels of strategy implies that well-defined sets of issues exist at each level of a corporation. As such, Walker, Boyd, and Larréché (1992, p.7) suggested that "most firms - particularly those with multiple business units - pursue a hierarchy of independent strategies. Each strategy is formulated at different levels in the organisation and deals with different issues". However, while some issues clearly fall into one of these three levels of strategy, others are more ambiguous. Varadarajan and Clark (1994), for example, argued that these three domains have considerable overlap, and as a result that interactions may exist between strategies pursued at different levels of an organisation. Indeed, Mintzberg (1994) has gone as far as asserting that the distinctions between these different levels of strategy "may sound good on paper, but they are far from clear in reality" (p.75). It is proposed here that the sponsorship activities of some firms are likely to cut across this hierarchy of strategies in that they are influenced by strategy at the corporate and business levels, as well as by decisions within other functional areas. This is particularly likely to be true in the case of the marketing function because of the marketing objectives that have previously been shown to be achieved through sponsorship activity (cf. Abratt et al., 1987; Meenaghan, 1991; Witcher et al., 1991). However, sponsorship might also be influenced by human resource issues if it is used to promote corporate culture (cf. Cousens & Slack, 1996) or employee relations (cf. Copeland et al., 1996; Waite, 1979).

Marketing strategy and business strategy are likely to overlap because the former is concerned with gaining a long-run competitive advantage through the choice of competitors, markets, and timing of entry and exit (Varadarajan & Clark, 1994). The establishment and maintenance of long-run competitive advantage is also a primary concern of business-level strategy (Porter, 1985). In addition, it has been suggested that specific decision areas such as brand positioning, market segmentation and selection, branding strategy, and the pattern of product market coverage "confound the three-level approach because the firm's business and marketing strategies are characterized at the same time" (Varadarajan & Clark, 1994, p.98). In other words, a firm's business and marketing strategies are often determined and manifest themselves simultaneously. However, although it has been implied in some of the previous analyses of corporate sponsorship, they have not focused on the argument that this form of promotion is influenced by organisational strategy.

One of the reasons why previous investigations of sponsorship have failed to provide the depth of information necessary to fully comprehend its strategic nature is the method that they have employed. The majority of these studies have relied on questionnaire surveys as their source of data (for example, Abratt et al., 1987; Abratt & Grobler, 1989; Copeland et al., 1996; Marshall & Cook, 1992; Meenaghan, 1991; Witcher et al., 1991). These surveys have allowed researchers to sample a large number of corporations, but they have also limited the detail that has been obtained about sponsorship, and particularly its relationship with wider strategic initiatives. As a result, in-depth interviews were chosen as the primary data-gathering technique in this study in order to probe more deeply into the relationships that exist between sponsorship activities and organisational strategy. In the next section, details of this methodology are outlined, together with a description of the corporations studied.

Methodology

In order to explore the relationship between sponsorship and organisational strategy, an inductive approach was employed. This was necessitated by the lack of previous research on this aspect of sponsorship. The method used for this research involved case-studies because, as Mintzberg eloquently suggested, "we learn how birds fly by studying them one at a time, not by scanning flocks of them on radar screens" (1979a, p.240). Rather than relying on questionnaire responses, as has been the case in many previous efforts to study sponsorship, it was felt that new insights would be gained from taking a rather different methodological approach in this study. This method aims to overcome some of the inherent flaws with an over-reliance on questionnaire responses in the study of strategy and marketing (cf. Parasuraman, 1991). For example, interviewing allows for in-depth probes into unexpected issues which arise from the discussion which is not possible in questionnaire-based studies. In addition, face-to-face interviews ensure that the appropriate person has been selected for responding to the questions, and that the interviewee is motivated to answer the questions in greater depth than is often the case with questionnaires.

The data were collected from semi-structured interviews with the key individual(s) responsible for marketing in twenty eight major Canadian-based corporations (or Canadian subsidiaries of multi-national corporations). These companies were currently, or recently had been, committed to significant sponsorship expenditures in Canada. The sample of corporations approached was derived from two sources. First, Canadian Sport and Fitness Marketing, Inc. (one of the providers of funding for the study) supplied a list of corporations and key personnel with which it had developed some form of business relationship. Second, the individuals interviewed in the data collection for Chapter 2 were asked to provide (in confidence) the names of corporate contacts whom they thought might be able to assist with this part of the study.

The corporations were selected so as to reflect different industrial sectors (resource companies, financial institutions, breweries, retailers, manufacturers, etc.) and different levels of sponsorship involvement with Canadian sport (event, programme, team, or individual). The logic of the choice of corporations was to obtain some variety in organisations and their sponsorship focus, rather than to observe a representative sample of corporations involved in sport sponsorship. No attempt was made to balance industrial sectors so that there was not, for example, an equal number of oil companies and breweries in the sample. Such controls were considered unnecessary for the purposes of this study.

In most corporations (twenty-four of twenty-eight), the interviews were conducted with the individual who was solely responsible for overseeing sponsorship activities. In the remaining four companies, the researcher ensured that all those with input into sponsorship decisions participated in the interview. Each of the interviews lasted between 45 and 90 minutes and, with the consent of the interviewee(s), was tape-recorded and subsequently transcribed verbatim. The discussions focused on the strategies and processes that had been used by the corporation in its sponsorship activities. The variety of themes covered included the strategic rationale for sponsorship, how sponsorship was viewed by the corporation, the extent of leveraging of sponsorship agreements, the relationship between sponsorship and wider business and corporate levels of strategy, and the nature of sponsorship evaluations.

In addition to the data obtained from these interviews, additional interviews were held with marketing professionals who worked as agents or advisors in the field of sport sponsorship. This was done to provide some corroboration of the validity of the responses provided by corporate executives and to control for biases that corporate employees might have displayed in some of their responses to the questions. Furthermore, documentary data (such as press-cuttings, news releases, annual reports) on the corporations investigated were used to build a more complete picture of their involvement in sponsorship, and of their overall corporate, business, and functional level strategies. Given the understandable reluctance on the part of corporate executives to discuss their sponsorship programmes in public, and the claim that "it's hard to say exactly how much companies spend annually on sports sponsorship because few talk openly about their contributions" (Gates, 1988, p.36), normal protocols of confidentiality were followed. Only two of thirty corporations approached for inclusion in the study refused to participate.

The interviews were conducted in-person, thus enabling the collection of a richness of data otherwise unobtainable (Henderson, 1991). The merits of using interviews to study organisational phenomena have been highlighted by Mintzberg (1979a; 1979b); Van Maanen, Dabbs, and Faulkner (1982); and Van Maanen (1988). This approach allowed the interviewer to gain a more complete understanding of the strategic course that the corporation was pursuing, and to draw out the relationships between this direction and the nature and type of sponsorship activities selected. Examples of the questions asked included: `Is sponsorship tied formally or otherwise to corporate or business marketing strategy? How?'; `How does sponsorship fit with overall corporate or business strategy?'; and `Is there a deliberate attempt to make this link? If so, who is responsible for the linkage?'.

The transcriptions of the interviews produced over 900 pages of text. These data were analysed according to a three stage coding process, similar to the one outlined by Strauss (1990). First, this involved "open" or unrestricted coding of the data with a view to analysing the information in detail to produce concepts or themes that appeared to fit the facts. This entailed an analysis of each interview, noting themes that recurred commonly across the data set. These themes included details of objectives and policies regarding sponsorship activity, the types of strategy being pursued at different levels of the corporation, and who was responsible for devising and implementing these strategies. This "open" coding produced some forty files of text (about 500 pages).

The second stage consisted of "axial" coding in which a more intense analysis of the data was conducted around the major concepts emerging from "open" coding. This involved a reanalysis of the forty text files which had been derived from the open coding of the data. At this stage, additional data from annual reports and press cuttings were integrated with those derived from the interviews. The different categories from the open coding phase were related to each other one at a time in order to determine whether there were linkages between any of them. Some twenty major concepts emerged from the refined data-set. These were categorised according to a number of themes which included influences on decision-making, influences on strategic initiatives, connections between sponsorship and different levels of strategy, considerations involved in evaluation, and factors perceived to influence sponsorship success. These categorisations were thought to depict the themes in the data which were central to the research project.

The third stage of coding, "selective" coding, was conducted on a subset of these classifications in order to discover conceptual categories and sub-categories. This involved a systematic analysis of a number of core categories which were selected from the axially coded data. Selection was based on the ability of the axially derived categorisations to account for variations in sponsorship behaviour. Examples of these core categories included the linkage between a corporation's sponsorship and its corporation's wider strategic direction, and the impacts of changes in strategy on sponsorship. At this stage, the data were cross-referenced by both the "axial" codes and also by corporation and were grouped in a manageable number of themes. This cross-referencing enabled the researcher to determine the degree of support for each of the hypothesised strategic influences on sponsorship activity.

From the interview data and appropriate documentary evidence, a profile of each corporation was constructed. These biographies featured details of: the type of sponsorship (if any) that the organisation was pursuing; the manner in which that sponsorship was executed; which levels of the corporation were involved in the decision-making process behind the commitment to sponsor and the implementation of the sponsorship; the rationale behind the involvement in sponsorship; whether (and in what respects) sponsorship was considered to be an element of corporate- or business-level strategy; and how the sponsorship was evaluated, if at all[2].

From analysing the biographies in cross-section, according to the different categories outlined above, it was possible to discern a number of recurring themes in which sponsorship and strategy appeared to be coupled. This is not to suggest that each company displayed a similar degree of sophistication in its approach to sponsorship; nor is it supposed to imply that the relationship between sponsorship and strategy was identical in companies across the sample. However, there were sufficient examples of a variety of strategic uses of sponsorship and their ramifications to enable the researcher to deduce the following results.

Results and Discussion

The data from this study revealed a number of interesting findings about the strategic nature of sport sponsorship, many of which are beyond the scope of this chapter. Here, the focus is only on those issues which were identified in the previous sections: specifically, the relationship of sponsorship to a company's corporate and business level strategies. The results are divided into two elements. The first part addresses the fundamental question of how sponsorship and strategy are linked, while the second assesses the variety of means through which different types of strategy influence sponsorship activity.

Synergies between sponsorship and strategy

The corporations in the sample exhibited diverging degrees of synergy between their sponsorship activities and various levels of organisational strategy. At one end of the spectrum were those firms in which there was strong evidence of a deliberate, pre-determined linkage between sponsorship activity and all components and levels of organisational strategy. At the other extreme, a small number of corporations showed little indication of having pursued an integrated strategic approach to sponsorship. The relationship between strategy and the sponsorship programmes of other companies in the sample had not been fully developed in the past, but there were signs that sponsorship managers in these firms were addressing this deficiency. In those corporations in which there had been limited synergy between sponsorship and strategy, there had also been a tendency for the former's effectiveness to be poorly perceived internally.

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[2] Greater detail regarding the methodological approach used in this study can be found in Appendix A.

The general association of sponsorship activity with a corporation's overall business plan was a theme which recurred frequently in the interviews, regardless of the extent of sponsorship activity currently being pursued. In fact, there was confirmation that sponsorship programmes were tied to the overall strategic direction being pursued in 75% (twenty-one of twenty-eight) of the corporations in the sample. Of the remaining seven corporations, the interviewees in five claimed that they were in the process of re-evaluating their sponsorship activities and were at varying stages of ensuring that there was closer cohesion between these programmes and the strategic initiatives being pursued at other levels of the corporation. In only two corporations was there little evidence of any attempt to tie sponsorship programmes to strategies at either the business or corporate level.

Of the corporations that fell into the former category, most had made deliberate attempts to ensure that sponsorship efforts reinforced the company's strategic direction. For example, an executive in a resource company claimed that "a big issue is aligning our sponsorship programmes with our business plan". Similarly, a bank employee explained that event marketing was being conducted "because there's a reason to do it and a strategic and business orientation to why we're doing it". The Executive Manager of a produce marketing association which existed primarily to promote consumption of its product maintained that her organisation's sponsorship programme was central to its promotional activities. She indicated that sponsorship had to

> fit our strategy...we want it to work, not just in advertising, but to be able to pool it out for our other programme areas because we feel that a lot of the benefit we get is in the synergistic programmes, having all our different messages working together through different media.

For these organisations (and others which exhibited similar levels of synergy between their sponsorship programmes and corporate and business level strategies), there was considerable support for the notion that sponsorship activities were influenced by and integrated with organisational strategy. While it is not difficult to justify this relationship intuitively, it should be remembered that many of the benefits associated with sponsorship are related to the marketing function. In all but two of the corporations in this sample, final responsibility for sponsorship decisions was held in the marketing department[3]. The marketing function of firms in most industries is becoming more integrated into the development and implementation of organisation-wide strategies. For example, Achrol (1991) and Pitt and Morris (1995) have emphasised that the combination of technological development, environmental turbulence in the form of increased global competition, and reduced economic barriers to entry in many markets is placing greater emphasis on marketing within corporations than has been the case in the past. Pitt and Morris (1995) also suggested that, under such conditions, customers and marketers will have to develop mutually beneficial relationships in which new markets and new products will be explored together, and so the marketing function is becoming an integral component of business level strategies.

As if to affirm this more central role of marketing, the Manager of Sports Properties in one of the breweries indicated that his company was attempting to develop a database of consumers in order to "dialogue" with them because "we want to be able to be a partner who responds to their needs". Sponsorship, he urged, was particularly well-positioned to drive beneficial relationships with consumers because of its ability to be used not only for increasing awareness, but also for building customer relationships, and providing the opportunity for sampling (cf. Copeland et al., 1996; Meenaghan, 1991). This flexibility of sponsorship was also illustrated in a soft-drink company in which it was viewed as "an extension of our brands, either in terms of the imagery that they provide, or the opportunity to increase volume".

Furthermore, by ensuring that the themes characterised through sponsorship activities are consistent with those being portrayed at the corporate and business levels, corporations avoid conveying conflicting messages to consumers, employees, and shareholders. The Director of Public Affairs in a resource producer noted that his firm's president had "a high sense of shareholder value, so that we must be able to show them that our sponsorship expenditures are a good use of funds". Moreover, a brewery's Manager of Sport Properties emphasised that "communication between departments has never been more critical" in planning and implementing promotional activities. Meanwhile, an airline's Manager of Sports Marketing and Sales indicated the importance of sponsorship decisions making strategic sense to employees when he stated that "we are all owners now, so it's difficult to justify spending money on external events when cutbacks are forcing job-losses in the company". These comments illustrated that sponsorship managers were becoming increasingly aware of the visibility of sponsorship expenditures for various stakeholders in their companies. They were also evidently cognisant of the potential for intra-organisational conflict to arise from mixed messages being sent to these stakeholders if sponsorship programmes were not synchronised with business level strategies (cf. Hill & Jones, 1989).

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[3] In both of these exceptions, the corporation operated in the resource extraction industry and sponsorship undertakings were tied to public relations efforts. In each case, it was explained that the company did not have a marketing department because of the exploration focus of its business operations which, in turn, dictated that substantial levels of goodwill were required to be established in communities in which it operated.

Another corporate benefit arising from the association of sponsorship activity with strategic objectives is that executives have some guidelines by which sponsorship requests can be evaluated. When one considers that the majority of corporations in the sample (twenty of twenty eight) received in excess of a thousand sponsorship requests per year, this benefit is not to be overlooked as trivial. Copeland et al. (1996) contended that a clear delineation of corporate objectives and strategies would assist in determining which sponsorship opportunities offered value for a company. This assertion was supported by the corporations in the sample, many of which dismissed those proposals which did not fit with one of their predetermined strategic foci. For example, a credit card issuer had established formal guidelines for its sponsorship programmes throughout the world to ensure that sponsorships "fit overall with [the company's] strategy, the right positioning for [the company]". In the same broad industrial sector, two banks had each established formal policies which stated that sponsorship had to fit with one of the key markets outlined in their corporate strategies. While other organisations in the sample had not developed written guidelines relating sponsorship to wider strategic objectives, there was evidence that a major criterion for consideration of a proposal was its match with organisational strategy. For example, a soft drink producer's Marketing Manager explained that although there were no formal policies, "there was some rigour put into it in terms of the strategic fit for the strategy of the specific brand". The Executive Manager of a produce marketing organisation indicated that there were no policies which determined its sponsorship deals, except that "it has to fit with our strategy".

Thus, the majority of corporations in the sample exhibited a well-defined and deliberate synergy between sponsorship and organisational strategy. These findings are not particularly surprising, but they do provide support for the contention that corporate decision-makers are likely to consider their company's overall strategic objectives when selecting sponsorship properties. These results contrast somewhat with those made by Thwaites (1995) in his study of English soccer team sponsors. Among these corporations, he lamented a lack of effective integration between sponsorship objectives and other elements of the communications mix. Perhaps one reason for this was that the key decision-makers in professional soccer sponsorship in England were the Board of Directors and Chief Executive who stressed the importance of `community involvement' as a key sponsorship objective. In the majority of companies in the sample, decisions were made by marketing managers. The latter are less likely to be concerned with their company being seen to be supporting community projects than are, for example, public relations managers.

In the few cases in the sample where there had been little attempt to forge a direct linkage between sponsorship and broader strategic initiatives, the sponsorship had not been considered a success. These corporations had exhibited remarkably limited foresight in their sponsorship activities and a concomitant lack of coupling with other aspects of the corporation's strategy. In addition, the initial decision to become involved in sponsorship did not appear to have been influenced by the broader strategic direction that the firm was taking. For example, in one company in which sponsorship had been deemed a failure, it was explained that a clothing sponsorship of a national team had not generated additional sales of the product line. The Marketing Manager admitted that the association had not been leveraged whatsoever with additional promotions which featured the affiliation. In hindsight, she lamented that "there was never any work done in developing how we could make it bigger and better. Let's face it, putting a hang-tag on a coat isn't going to cut it and that's basically all that was done". It is interesting to note that, in this case, the decision to sponsor had been made independently of the Marketing Manager by a buyer who "thought it was a good idea". Thus, there was no opportunity to determine how the sponsorship could contribute to broader corporate objectives prior to the agreement being signed.

In one of the retailers in the sample, previous lack of success in developing sponsorship opportunities had combined with an unfavourable market climate to reduce the amount of sponsorship that the corporation was pursuing. The Vice President of Marketing claimed that "sponsorship is a good way to create a very good image for your corporation, but in retail it just doesn't create sales, at least the type of sponsorship that we've been involved with doesn't create sales". She suggested that there was little relationship between sponsorship and strategy in her corporation because there was very little sponsorship activity. She also noted that sponsorship was "tied to marketing, but not corporate strategy", as if to suggest that marketing were divorced from strategy.

An interesting feature of these cases in which sponsorship and strategy were adrift was that the sponsorships had not been considered successful. While it is not possible to draw statistically significant conclusions, these examples support the notion that sponsorship success is dependent on managers ensuring that their sponsorship programmes directly contribute to achieving business or corporate strategic objectives. This contention supports the assertion made by Amis et al. (1997a) who argued that the productive implementation of a sponsorship programme involves the development of a strategic resource which can be used to contribute to a sustainable competitive advantage. Given that sponsorship programmes themselves can contribute to functional level distinctive competences, it is essential that managers responsible for implementing these initiatives develop linkages between them and business or corporate level strategies (cf. Varadarajan & Clark, 1994). As Mosakowski asserted, "resources unrelated to a firm's strategy...are not likely to be sources of competitive advantage" (1993, p.821).

While these two companies illustrated extreme cases in which sponsorship was evidently divorced from other levels of strategy, another five companies in the sample had only shown rather limited attempts to integrate sponsorship with corporate or business level strategy in the past. However, in each case it was explained that sponsorship programmes were being re-evaluated and that, in future, decisions would be made to support the strategic direction of a business unit or the entire company. Of these corporations, the role of sponsorship in one financial institution had reflected the lack of overall strategic direction. The interviewee explained that "we don't have a corporate [sponsorship] strategy, and we're in the middle of image research", indicating that the company was in the process of becoming more strategic in both its sponsorship and general promotional activities. This individual also admitted that "we had no strategy or basis for looking at these things" prior to the current review. This unfocused approach was mirrored in a second financial institution. The Public Relations Manager asserted "we're in arts, we're in culture, we're in business, we're in education, we're in everything and there's no distinction between donations and sponsorship". Until a recent internal review, this firm's marketing activities had been based on "talking to the masses" with no particular focus, and this was reflected in its miscellany of sponsorships which had "not contributed much" to business objectives. However, with the re-evaluation of the corporation's sponsorship activities, the interviewee indicated that "now it's driven very much by a business strategy" and that it would be "strategically completely different from what we were doing". A resource producing and marketing corporation had experienced similar changes to these financial institutions in its sponsorship activities. It had recently considerably reduced the marketing resources that were being directed toward sponsorship. The marketing manager explained that

> in theory sponsorship is tied to your overall corporate objectives. We were all over the map because of the way we were structured. We had people in Quebec who managed Quebec, people in Ontario who managed Ontario, people in the West who managed the West, and then a guy in head office who tried to make some sense out of everything that everybody was doing.

In two of these three companies, the impetus behind re-evaluating the role of sponsorship had been the appointment of a new CEO. These individuals had evidently made deliberate efforts to extricate themselves from any role in sponsorship decisions by insisting that expenditures in this area supported business objectives. In the third company, the impetus had been a decline in profitability which had lead to a corporate restructuring. In this case the firm's strategic direction influenced its organisational structure (cf. Chandler, 1962). In turn, this new structure affected the way in which sponsorship was perceived in the corporation because senior marketing managers became more accountable for their expenditures in this area.

In two other companies, although there had been more of a strategic rationale behind sponsorship programmes in the past, they had not been leveraged to ensure that the investment paid dividends. Of these corporations, an oil company's Coordinator of Marketing protested that "the company was willing to put money towards something, but wasn't prepared to support it with resources". In a computer company, it was noted that "we didn't spend any dollars [on leveraging] other than from a PR side, but that's not even worth mentioning". In both cases, it was explained that the sponsorships supported specific strategic objectives of the companies (i.e., changing the firm's public image and promoting a new product respectively), but neither had been considered successful promotions. Similar reasons for the perceived failure of English soccer sponsorships were noted by Thwaites when he suggested that "the cavalier attitudes towards [sponsorship's] management have resulted in a failure to achieve the real benefits of this adaptable medium" (1995, p.149). In other words, the mere fact that sponsorship promotions tie-in with broader strategic objectives does not ensure that they actually contribute to attaining organisational goals.

In any discussion of strategy (whether it be at the corporate, business, or functional level), it is important to remember that strategies involve more than merely setting objectives. This is something that most previous studies of sponsorship have limited themselves to identifying. In order to be effective, they must be actively implemented and integrated with the existing structural and environmental attributes of the organisation. As Miller (1992, p.41) asserted, "strategy involves more than simply cutting costs or devising unique products. Ideally it must represent a winning configuration of complementary product and service attributes and organizational efforts".

Similarly, sponsorship programmes must be actively promoted and leveraged in order for their objectives to be attained. In none of the corporations in which sponsorship and strategy were successfully linked, had these sponsorship strategies evolved without considerable effort being exerted in their implementation. Instead, they were (to varying degrees) leveraged with additional funding to promote the sponsorship's effectiveness and association with wider strategic initiatives.

In the corporations where there had been little effort to link sponsorship activity with strategic directions being pursued in other elements of the corporation, there was almost unanimous agreement that the sponsorships had done little to contribute to corporate goals and objectives. It appeared that sponsorship programmes had previously been `unconnected' from other strategies in these organisations. Unconnected strategies are characterised by the fact that there is "hardly any discernible central vision or umbrella, let alone plan, linking them together" (Mintzberg & Waters, 1985, p. 266). Such strategies might be tolerated, or even encouraged, in some organisations in which a number of experts pursue their own agendas unfettered by administrative control (for example, universities). However, it is difficult to imagine that an unconnected sponsorship strategy would result in the attainment of organisational objectives.

These results serve to reinforce the notion that sponsorship is a strategic activity (cf. Cornwell, 1995; Gilbert, 1988; Haley, 1991; Otker, 1988). However, not only did the data illustrate a fundamental link between sponsorship and strategy in the majority of corporations, but they also highlighted the variety of ways in which sponsorship could be associated with specific types of corporate and business level strategy. The discussion now turns to assessing the impact that the implementation of various strategies has on sponsorship programmes.

Sponsorship Implications of Different Types of Strategy

The companies in the sample were pursuing a variety of corporate and business level strategies. In many instances, the pursuit of these strategies had an observable effect on the nature of sponsorship activity. In some firms, sponsorship was being used to reinforce a corporate level diversification strategy. In other companies, business level strategies such as growth, expansion, or differentiation were leveraged by sponsorship programmes. In others, a retrenchment strategy was reflected in a reduction in the amount of sponsorship that was being pursued by the corporation.

Although few of the corporations in the sample operated in more than one line of business, a form of corporate level *diversification* strategy (cf. Ansoff, 1965; Porter, 1985) in the four financial institutions had stemmed from changes in the regulatory environment facing that industry. As a result of deregulation, banks were able to offer products and services which had traditionally been the domain of insurance companies and vice-versa. These new market opportunities were reflected in the choice of sponsorship activities undertaken by these companies. One of the banks had abandoned a product-based strategy in favour of "segment strategies" which aimed to develop market niches in one of three market segments (education, small business, and economic development). It was explained that the new corporate level strategy was concerned with the "collective needs of the individual", and that sponsorship would only be supported if it provided opportunities to develop business in one of these three areas. For example, the bank sponsored the educational component of a national fund-raising walk, rather than merely associating itself with the charity's event more vaguely. This was intended to support the bank's strategic commitment to education by informing participants about the charity's objectives.

These companies were experiencing a similar period of environmental turbulence to that which characterised the financial services sector in Britain in the 1980s. As Ennew, Wright and Thwaites (1993) recounted, the marketing function in British financial companies became more strategically important during that period. However, they also noted that many organisations diversified too quickly and were forced to refocus on their core businesses in the early 1990s. It will be interesting to see whether this pattern is followed in Canadian financial institutions. More pertinent to the current discussion, a refocusing on core businesses would likely be reflected in sponsorship being directed toward supporting the traditional areas of the banks' operations.

Although it had not used sponsorship as part of a corporate level diversification strategy, a film and imaging company had eight distinct lines of business operation in Canada and attempted to ensure that any sponsorship benefitted more than one of these simultaneously. The company's Manager of Corporate Affairs explained that only one of the eight divisions was large enough to have its own sponsorship resources and mandate, but that corporate level sponsorships often involved more than one division. He provided an example of a sponsorship of a multi-sport games in which three business areas benefitted from corporate level sponsorship, explaining that "ideally a sponsorship will benefit as many divisions as possible, and account for geography, cost and human resources". In effect, sponsorship in divisionalised corporations displays the properties of *economies of scope*. The ability to utilise sponsorship properties in a number of different business-areas enables these corporations to reap additional benefits as compared those companies involved in a single line of business.

Another type of strategy which is likely to be associated with achieving corporate objectives is a *global* strategy in which multi-national corporations seek to maximise worldwide performance via sharing and integrating resources across countries (Yip, 1989). One of the diversified companies had also been involved in multi-national sponsorship as a result of a decision made by its United States based parent corporation. The Canadian Promotions Manager noted of this agreement that there was "synergy with what the head office is doing and how individual countries use it". For example, the worldwide launch of a new product coincided with the international sponsorship. This enabled marketers in each country to derive benefit from awareness which resulted from the sponsorship. A Canadian manufacturing company which had sponsored a national team was attempting to become a worldwide sponsor of the sport by encouraging its U.S. parent company to get involved at the global level. The Manager of Marketing and Communications explained that the new U.S. Chairman had a "very aggressive growth agenda to market the company around the world". This linkage between a global growth strategy and sponsorship was particularly the case in the European market where "as far as we're concerned, the sponsorship is the number one showcase of our growth strategy". Two breweries had also used sponsorship as part of a growth strategy in Europe. One had promoted a hockey game in London to promote two of its brands, while another had sponsored both a soccer team and a formula one racing team.

This type of strategy is becoming increasingly important for larger multi-national corporations as tariff barriers are being reduced and technological investments are becoming too expensive to amortise in a single national market (Levitt, 1983). Indeed, with the cost of becoming an International Olympic Committee TOP IV sponsor estimated to be $45 million (International Events Group, 1997), a similar rationale can be used to explain the existence of a uniform global marketing strategy in corporations which spend vast amounts to acquire worldwide sponsorship rights.

The globalisation of markets also affected both the strategy and the sponsorship activity of a manufacturer, but in a rather different way. This company had extended its traditional focus on ski-wear to produce and market golf apparel in the United States. The impetus behind this combined *product line proliferation* and *geographic expansion* strategy (Mintzberg, 1988) had been the reduction of tariff barriers which resulted from the introduction of the North American Free Trade Agreement (NAFTA) between Canada and the United States. The resulting increase in environmental dynamism had been seized upon by senior management as an opportunity for growth, rather than a threat to the domestic market (cf. Kotler, 1984; Pecotich, Laczniak, & Inderrieden, 1985). The Assistant Marketing Manager explained that the sponsorship of golf events and players was a natural extension of this strategy and that it "enabled us to sell into the U.S. market a lot easier".

A different form of strategy had been adopted by the marketer of exclusive wristwatches which had first used sponsorship as part of what Hofer (1986) referred to as *turnaround* strategy. The President explained that the company had lost market share, so the initial impetus behind its sponsorship programme was to increase visibility. Having deemed its eight-year association with a winter sport a success, he was using a sponsorship of a second winter sport as part of a *business redefinition* strategy (Spender, 1989) in order to launch a new brand. Sponsorship, it was claimed, was the primary source of promotion supporting each of these corporate strategic decisions. This was because it was deemed to be more cost-effective than traditional advertising in reaching a specific target market and also because sponsorship had spin-off benefits such as the potential for generating business-to-business sales. This account of this reorientation strategy closely follows that prescribed by Hofer (1986) who suggested that most strategic turnarounds are aimed at reverting a decline in both sales and market share. Ideally, he argued, such a strategy should seek to combine both an increase in sales, and also provide an opportunity for the company to become a leader within its strategic group. This type of turnaround is usually only possible if there is an emerging segment in the market (in this case, high-quality sports watches), and also if the company is able to maintain its competitive advantage in an enduring way.

Almost half of the corporations in the sample (thirteen of twenty eight) exhibited sponsorship activity which was being employed in combination with a *differentiation* strategy aimed at distinguishing the company or one of its brands from its competitors (Porter, 1985). For example, a soft-drink manufacturer's sponsorship objective had been "to be the pre-eminent sponsor associated with a particular sport". The Marketing Manager explained that this approach was changing, in keeping with the company's attempts to differentiate itself from its major competitor and from emerging private label brands which were eroding market share in grocery store sales. He indicated that "we don't want to be wallpaper any more". This differentiation strategy's influence on sponsorship activity was evident in professional (ice) hockey. Rather than merely purchasing rink boards in National Hockey League arenas, the Marketing Manager explained that the company's logo was displayed on the ice surface, or in other locations where it would stand out from other sponsors' logos. In order to leverage the company's sponsorship of individuals and teams, they were highlighted in television commercials. It was explained that "it's important to give customers something they can't get from other sponsors...so we've come up with customised programming that adds value and differentiates us from other advertisers". However, there was little evidence of there being any direct measure of the effectiveness of these efforts to add value. Instead, the Marketing Manager explained that evaluation of sponsorship revolved around minimising the gap between the cost of rights and the more tangible benefits which have resulted from a similar amount being spent on advertising.

It is interesting to note that in this industry, the impetus behind the change in strategic direction of the two market leaders had been the emergence of a new competitor which had been perceived by them as a crisis in the environment (cf. Tushman & Romanelli, 1985). Rather than attempting to meet the new competition by reducing price, both this company and the other leader in the industry had adopted marketing differentiation strategies. The Marketing Manager of one of the two established market leaders insisted that "we stay away from competing on cost because its a vicious circle and the only winner is the consumer". Instead of aiming to compete with the new entrant on the basis of price, these companies had used sponsorship to create a brand image which effectively reduced the elasticity of demand for their product or service. The actions of these two firms support the hypothesis proposed by Miller (1988) that environmental uncertainty will be positively associated with a marketing differentiation strategy.

Marketing differentiation aims to "create a unique image for a product" (Miller, 1988, p.284) which requires that managers understand customer preferences and competing products in order to induce brand loyalty and reduce price elasticity of demand. Miller showed such a strategy to be useful "in an unpredictable and dynamic environment where it can be used to avoid potentially more costly forms of competition like price cutting" (1988, p.284). He went on to assert that a differentiation strategy is likely to "invite competitive responses, thereby increasing not only unpredictability but market dynamism as well. Competitors may imitate successful practices, requiring further change" (p.288). This form of competitive response was evident in some of the sponsorship activities of firms which operated in highly concentrated industries (see Chapter 4).

While it represented a rather different association between sponsorship and business-wide strategic direction, almost a third of the corporations in the sample (nine of twenty eight) had experienced a period of retrenchment and had adopted *exit* or *withdrawal* strategies in some markets (Mintzberg, 1988) which had been reflected in a reduction of their sponsorship activities. The interviewees in these corporations indicated that a recessionary economic climate, modifications in consumer tastes, or changes in the regulatory environment had forced their companies to critically review their corporate and business level strategies and this had negatively affected the amount of resources directed toward sponsorship.

For example, an airline had drastically reduced its sponsorship outlays as a result of increased competition and deregulation in its industry. The global recession had combined with increased competition to result in a computer company's agreement with a major North American sport being terminated. Even the sponsorship programmes of a large financial institution were not immune from the effects of an economic downturn. A bank's Manager of Sponsorship Marketing explained that "it's difficult for me to justify increasing my budget and spending more money while we're letting people go". The marketing executives in both of the major breweries indicated that their industry had been affected by regulatory changes, increased competition from competing products (such as wine coolers and flavoured mineral water), and an increased emphasis on healthy life-styles. As a result, they had changed their attitudes to sponsorship expenditures so that they directly drove brand sales. A clothing manufacturer faced increased competition as a result of the implementation of NAFTA and lifting of a 30% tariff on imported goods. Again, this had resulted in a reduction in the company's sponsorship expenditures.

Factors which increase the dynamism in the environment and have a negative impact on profitability are often causes of strategic adjustments (Kotler, 1984). Furthermore, when profits fall there is a tendency for firms to reduce advertising expenditures (Simon, 1970). In turn, this is likely to be associated with a reduction in sponsorship expenditures. Indeed, Marshall and Cook (1992) found that British corporations which sponsored sport tended to have a higher level of profitability and turnover than those that did not. A fall in profits is perhaps more likely to be associated with reductions in sponsorship expenditures than with more `traditional' forms of promotion (such as advertising) because of the difficulties associated with sponsorship evaluation (cf. Abratt & Grobler, 1989; Cornwell, 1995; Pope & Voges, 1994). While the findings presented here do not provide conclusive evidence that sponsorship is negatively correlated with profit levels, or increases in environmental uncertainty, they do highlight that in order to generate a more complete understanding of the sponsorship process within corporations, there is a need to consider the external environment affecting industries and particular corporations within those industries.

Conclusions

This study has shown that there is an implicit, if not explicit, linkage between sponsorship and strategy pursued by corporations. Sponsorship is not only considered a strategic activity by corporate executives, but the majority of sponsorship managers also attempt to integrate their sponsorship programmes with organisation-wide strategies. Furthermore, it has been demonstrated that different types of corporate and business level strategies are likely to be associated with different uses of sponsorship as a strategic tool. These findings have a number of implications for both corporate managers and their counterparts in organisations who are seeking sponsorship support.

For recipients of sponsorship, this study highlights the importance for sports organisations of better comprehending the strategic direction of corporations approached for sponsorship support. From the evidence presented here, it is imperative that organisations seeking sponsorship ascertain the strategic direction being pursued by firms at the corporate and business level in order to develop properties which will provide a strategic match. Furthermore, a change in corporate or business level strategy is likely to have an impact on the way in which sponsorship is used as a strategic investment. As a result, it is important that potential recipients of sponsorship keep abreast of developments in the corporate sector which will influence strategies, and that they attempt to link their sponsorship proposals to the strategic direction being pursued by the corporation approached. Furthermore, it is important that organisations in multi-year sponsorship agreements realise that organisational strategies can change, even in a relatively short time period. In order to ensure the continued success of a sponsorship, it is vital that managers of sport organisations are keeping abreast of developments in the corporations which sponsor them.

A further implication of this study is that it stresses the importance to sponsorship seekers of illustrating how different types of strategic objectives can be achieved through sponsorship. In other words, it is not just sales and awareness that can be promoted by sponsorship, but new strategic directions such as diversification, new product introduction, or turnaround can also be supported. In addition, although not reported here, it is likely that sponsorship can be associated with other strategic factors such as culture, and employee motivation.

From the perspective of managers responsible for sponsorship efforts in corporations, it is essential to ensure both that there is a strategic rationale behind sponsorship programmes and that sponsorship activity is communicated to other levels within the corporation. This will not only guarantee that mixed messages do not emanate from different elements of the organisation, but will also provide opportunities for different units within a divisionalised corporation to benefit from sponsorship.

It is also important that sponsorship decision-makers consider factors which influence a corporation's overall strategic direction in determining potential value of sponsorship. One aspect of such influences, the external environment, has been alluded to in this chapter. However, there are also likely to be other influences on the potential value of sponsorship. These include the structure of the organisation, its size, the culture that exists within it, as well as the nature of its strategic partnerships with other corporations in its immediate environment, the impact of competitive actions, and the possibility of institutional pressures (DiMaggio & Powell, 1983) which might affect sponsorship decisions. The influence of competitive and institutional pressures on corporate sponsorship decisions and activities is addressed in the next chapter.

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CHAPTER 4

An Analysis of the Influence of Competitive and Institutional Pressures on Corporate Sponsorship Activities

In Chapter 3, strong support was provided for the proposition that corporate sponsorship activity is related to an organisation's strategy. The formulation and implementation of strategy has been shown to be influenced by the competitive actions of other corporations in a firm's environment (Miles & Snow, 1978; Miller, 1988; Porter, 1980; 1985). As Aldrich argued, "the major factors that organizations must take into account are other organizations" (1979, p.265). The influence of a variety of institutional pressures has also been shown to affect the actions and strategies pursued by organisations (DiMaggio & Powell, 1983; Zucker, 1987). It follows that in order to further understand the dynamics of corporate sponsorship decisions and strategies, the multitude of competitive and institutional factors which influence organisational actions must be taken into account.

Despite the broad array of research on corporate sponsorship and the elevated importance placed on it as a promotional and strategic tool, very little is known about how sponsorship decisions are arrived at within organisations. Indeed, "there is little empirical evidence of the motivations that lead businesses to spend a proportion of their advertising budgets on sponsorship (rather than on advertising) or what results they believe they will be able to gain from such expenditure" (Scott & Suchard, 1992, p.326). Put another way, the lack of sponsorship sophistication in Canadian corporations was highlighted by Copeland (1991, p.10) who stated that "the rationale and decision-making criteria used by many companies to determine their sport sponsorship involvement often appear to be obscure and inconsistent."

Early investigations of corporate sponsorship have sought to examine such areas as the rationale for involvement in sponsorship (for example, Abratt, Clayton & Pitt, 1987; Marshall & Cook, 1992; Meenaghan, 1991; Scott & Suchard, 1992; Witcher, Craigen, Culligan, & Harvey, 1991) and the evaluation of this form of promotion (for example, Kuzma, Shanklin, & McCally, 1993; Pope & Voges, 1994; Waite, 1979). However, little effort has been made to understand anything more than the establishment of objectives preceding the decision to sponsor. In this context, Cousens and Slack (1996) noted that in order to understand sponsorship more fully, it is important that corporate decision-makers take into consideration "the nature of the industrial sector in which it operates" (p.185).

In the few studies to date that have assessed the strategic processes involved in sponsorship, there has been a propensity to concentrate on the relationship between variables which are largely endogenous to the corporation. These include the creation of competitive advantage via the development of a firm-specific resource (Amis, Pant, & Slack, 1997), evaluation procedures (Waite, 1979), or multiple levels of decision-making (Cousens & Slack, 1996). Although many of these are likely to be indirectly influenced by the actions of other organisations, they are issues which focus on internal processes. Thus, there has been an inadequate analysis of how a firm's sponsorship activities are influenced by other actors in its environment.

In order to develop our comprehension of the strategic nature of sponsorship, it is proposed that it is imperative also to recognise the external influences on corporations which contribute to their strategies and, in turn, their sponsorship activities. If, for example, sport marketers who are seeking sponsorship develop a better understanding of the factors which influence corporate decisions, they will be able to focus their marketing efforts in a more effective manner. Furthermore, an understanding of external influences on corporations as they relate to sponsorship will enhance our ability to comprehend their strategies in an area which is notoriously difficult to evaluate.

Consequently, the purpose of this chapter is to investigate the means through which other organisations and institutions prevail upon a corporation's sponsorship decisions and activities. More specifically, this chapter addresses the manner in which corporate sponsorship decision-makers are affected by both task and institutional environments. At this juncture, it should be noted that this chapter is specifically concerned with processes surrounding the sponsorship of events and organisations rather than individual athletes. Many of the arguments presented here will be equally applicable to increasing our understanding of corporate endorsements of individual athletes. However, no attempt is made to address the unique idiosyncrasies which impact on corporate decisions to enter into such arrangements. Instead, this chapter focuses on the importance of the influences that competitors, and other actors and institutions in a firm's environment, have on decisions and activities surrounding the corporate sponsorship of events or organisations.

In the sections that follow, this chapter first provides a brief overview of some of the inter-organisational and normative pressures which have been shown to motivate firm activity in general, and it reasons that many of these influences might be evident in sponsorship decisions. In particular, the relevant literature on competitive strategy as it relates to the actions of competitors is reviewed. In addition, the role of institutional pressures in organisational decision-making is examined and its possible relevance to sponsorship decisions is highlighted. The subsequent section provides an overview of the research method. The findings of the study along with a discussion of how the different influences have affected sponsorship are then presented.

Theoretical Background

It has long been suggested that organisations are open systems which influence and are influenced by the environment in which they operate (Burns & Stalker, 1961; Perrow, 1970; Thompson, 1967). These authors (and others who have written since them) have espoused that corporations depend on their environment as a source of inputs and as the recipient of outputs. Few of these external forces are static and their dynamism creates a considerable amount of uncertainty for managers. One of the roles of management is to analyse the environment in order to be able to generate and implement strategic plans in a controlled manner (Robbins & Stuart-Kotze, 1994). In addition, it has been suggested that the success of an organisation's strategy depends partly on its ability to align itself with its environment (Miller, 1988; Venkatraman & Prescott, 1990).

Three environmental variables have been widely identified in the management literature (Miller & Friesen, 1983). Environmental dynamism refers to the rate of change and innovation in an industry, and the unpredictability of the actions of competitors or customers. An environment's hostility reflects the intensity of competition and state of a firm's industry. The third dimension of environment, heterogeneity, indicates the variety of a firm's markets that necessitate production and marketing diversity. It is inherent in each of these three environmental components that an organisation's strategies are influenced by its competitors' actions. In other words, one of the prime exogenous influences on the content of a firm's strategy is likely to be the activities of their major competitors. Porter's (1980) five-force model of industry analysis, for example, highlighted the actions of existing competitors in dictating which of three generic strategies should be pursued (cost-leadership, differentiation, or focus). This model posited that competitors, buyers, suppliers, and other organisations which constitute part of a corporation's environment exert a considerable degree of influence over its choice of strategy. Therefore, in order to comprehend the rationale for strategic initiatives such as product innovation, research and development, marketing, and (by extension) sponsorship, it is necessary to assess the likely impact that these will have on rival actions. Conversely, the operations of competitors are likely to have some impact on the choice of strategic weapons a firm can use to develop a sustainable competitive advantage.

The specific effects of marketing actions of rivals on a corporation's environment were summarised by Miller (1988). He indicated that a marketing differentiation strategy was likely to be closely associated with environmental uncertainty. This type of strategy is appropriate in an unpredictable and dynamic environment in order to avoid more costly forms of competition such as price cuts or expensive product innovations. Such a strategy aims to create an image for a product that reduces its price elasticity of demand. As a result, a firm is able to continue to price its products at a premium, compared with those of its competitors, without suffering from reduced profit. However, a marketing differentiation strategy is likely to invite competitive responses which increase both the dynamism and uncertainty in the environment (Miller, 1988).

The impact of competitor actions on firm conduct is particularly evident in highly concentrated industries where there are only a small number of dominant corporations and relatively high barriers to entry (Bain, 1956). Examples of such industries in Canada include brewing, banking, soft drink manufacturing, credit card issuing, and, until recently, scheduled airlines[1]. In these industries, it has been suggested that strategic groups form in which there are high degrees of symmetry in cost structure, product differentiation, vertical integration, and product diversification (Caves & Porter, 1977; Fiegenbaum, McGee, & Thomas, 1988; Hatten & Schendel, 1977; McGee & Thomas, 1986; 1992; Porter, 1979). In order to prevent one firm from gaining a competitive advantage, the actions of all companies within a strategic group tend to be closely scrutinised by others within the group. As a consequence, the strategic actions taken by firms within the group are remarkably similar. One explanation for this `competitive isomorphism' was offered by Hannan and Freeman (1977) who proposed that only certain forms of organisation are able to survive in a given competitive environment. From a population ecology stance, they argued that competitive pressures de-select non-optimal forms of organisation. The firms that remain are therefore similar to each other in many respects.

There is some evidence that firms in industries in which strategic groups have emerged will adopt similar approaches to sponsorship. For example, Meenaghan (1991) reported that when commercial banks increased their sponsorship of sport in Britain, other financial institutions were not far behind them. Also in Britain, Thwaites (1994) highlighted similarities in sponsorship approaches adopted by building societies, insurance companies, and banks. However, although it seems highly probable that firms will analyse the actions of their close competitors, the nature of such analysis as it relates to sponsorship activities remains something of a mystery.

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[1] Although there are only two scheduled airlines which serve all major Canadian cities at present, a number of smaller regionally-based operators have emerged since deregulation. As such, it could be argued that this industry is moving towards one which involves fewer barriers to entry, as suggested by the contestable markets theory proposed in the early 1980s (cf. Baumol, Panzer, & Willig, 1982)

Two related concepts which have been associated with the creation and preservation of barriers to entry in industries are first-mover advantages and pre-emptive activity. A first-mover has been defined as an "*organization* which is *first* to employ a particular *strategy* within a *context* of specified *scope*" (Patterson, 1993, p.765) [emphasis in original]. Furthermore, it has been argued that first-movers "define the competitive rules" in their domain (Porter, 1985, p.186). First-mover advantage has generally been associated with exploiting technological leadership, the costs of switching between brands, or the acquisition of scarce physical assets (Lieberman & Montgomery, 1988). However, as Amis et al. (1997) argued, sponsorship can be viewed as a scarce intangible resource which can be employed to create a sustainable competitive advantage. Therefore, it is quite possible that firms will enjoy first-mover advantages with sponsorship.

One means of preventing rival firms from establishing a first-mover advantage is the use of pre-emptive tactics (Kerin, Varadarajan & Peterson, 1992). Various pre-emptive manoeuvres have been used by firms to prevent their rivals from gaining a competitive advantage. For example, Schmalensee (1978) suggested that a firm might differentiate its outputs in order to fill up gaps in the product-space in order to reduce competition. Alternatively a firm might discover products which could act as substitutes to their outputs, but may not find it profitable to develop them to market. In these cases, they will benefit from filing `sleeping patents' which protect their innovation in order to prevent competitors from eroding their profits (Gilbert & Newbery, 1982). Analogously, firms might engage in research and development activity with the deliberate intention of spoiling the market for later entrants (Lippman & Mamer, 1993). It is feasible that firms would be able to develop a competitive advantage from a similar form of pre-emptive tactic in sponsorship. However, in order for this kind of manoeuvre to be an efficient use of promotional resources, its costs would have to outweigh the expected benefits of frustrating a firm's rivals (cf. Vidal, 1996).

Although the direct influence of competitors is likely to be one determinant of sponsorship ventures within a firm, it is not the only means by which organisations have been shown to be affected by the actions of others. It is argued here that forces which are especially likely to have a bearing on the sponsorship activities of corporations are institutionally rather than competitively based.

Institutional theories of organisations propose that non-competitive external pressures are exerted on organisations, and that these factors also cause them to behave in a similar manner. These pressures may arise from external sources such as the state, from imitation of other similar organisations, or from sources internal to the organisation such as formalised work procedures

(DiMaggio & Powell, 1983; Zucker, 1983; 1987). In conforming to these pressures, organisations become isomorphic according to institutionally prescribed expectations. DiMaggio and Powell (1983) highlighted three types of institutional process: coercive, normative, and mimetic. Coercive pressures are exerted on an organisation by other organisations or entities (for example, the state) on which it is dependent, or by cultural suppositions which exist in the society within which the organisations operate. Normative pressures primarily result from professionalisation, which occurs either through formal education or through professional networks. Mimetic pressures are more closely tied to uncertainty in the organisational environment. Under such conditions, organisations may mimic the actions of other organisations, and particularly those which are perceived as being successful. This can occur either as an indirect result of employee turnover among organisations, or as a more direct consequence of the recommendations of external consultants or trade associations.

Briefly stated, competitive pressures are somewhat different from institutional ones. The former tend to affect corporations differently, depending on their particular resource endowments. Nevertheless competitive isomorphism may result from optimal forms of organisation being selected out of a population (cf. Hannan & Freeman, 1977). This is most common in a relatively free and competitive market (DiMaggio & Powell, 1983). In contrast, institutional pressures are more likely to affect organisations which compete for political power and institutional legitimacy. Under these conditions, organisations within a particular field are pressured to adopt certain practices and procedures. These pressures can derive from a number of sources which include: the state; professional and social networks that exist between executives in different organisations; similarities in the formal training of employees; and the use of external expertise in the form of consultants and specialised agencies (DiMaggio & Powell, 1983; Galaskiewicz & Wasserman, 1989; Meyer & Rowan, 1977; Meyer & Scott, 1983; Zucker, 1987). Strategic responses to these pressures can take a variety of forms. For example, managers may seek to legitimise their own actions by mimicking the exploits of prominent organisations in their field. Alternatively, individuals may hold directorships in a number of different organisations simultaneously in order to reduce uncertainty in their environment. Often these various institutional processes, and responses to them, do not lead to increased firm efficiency or goal attainment. However, they do act to legitimise the resulting activities to senior managers and shareholders. They also represent a variety of means through which ideas can be diffused across organisations.

Many sponsorship decisions in the past appear to have been influenced by personal, as opposed to strategic, factors (cf. Meenaghan, 1983). However, given the findings presented in Chapter 3, it was felt that personal influences would be less prevalent in today's sponsorship decisions. Nevertheless, another form of mimetic process which has been shown to affect decision-making under uncertainty relates to the notion of social networks (Galaskiewicz & Wasserman, 1989; Granovetter, 1985). In addition, DiMaggio and Powell (1983) noted that social networks were important in transferring knowledge among members of professions. These authors proposed that ideas and information spread from one organisation to another by means of interpersonal relationships which exist between key individuals who are able to wield some power over decisions. As a result, organisations tend to respond to challenges posed by their environments in similar ways.

In addition to the work on charitable donations conducted by Galaskiewicz and his colleagues (e.g. Galaskiewicz & Burt, 1991; Galaskiewicz & Wasserman, 1989), it has also been suggested by Useem and Kutner (1986) that many of these institutional pressures are evident in corporate sponsorship of the arts. The considerable number of corporations which are active in sport sponsorship in certain industries suggests that institutional also predominate over competitive pressures in their organisational field. For example, a number of financial services firms including Cornhill, Axa Equity and Life, Britannic Assurance and National Westminster Bank sponsor English cricket. There is little evidence to indicate that companies in this sector would gain a particular advantage from sponsoring this sport as opposed to any other. This implies that institutional pressures are at work. While some of these issues have been alluded to in previous studies of corporate sponsorship, there has been no thorough investigation which provides strong support for these arguments. At the local level, Slack and Bentz (1996) provided evidence that small business managers are likely to be influenced by the sponsorship activities of their local counterparts. However, they did not explore the influence of institutional pressures to any extent. Thwaites and Slack (1997) have also presented some unpublished evidence of the existence of institutional pressures in the sponsorship of professional soccer among British firms. However, the significance of such an impact on decision-making in national level sport sponsorship has not been reported in the literature.

Furthermore, the early research on sponsorship indicated that the personal preference of top executives often played a role in determining how sponsorship budgets were allocated (Meenaghan, 1983). However, more recent research has claimed that this is becoming less of a factor in sponsorship decisions (Marshall & Cook, 1992; Copeland et al., 1996). It should be noted that the method used in each of these studies was a questionnaire which might have encouraged respondents to down-play the influence of key executives. If we are able to acquire some knowledge of the type of networks that exist between corporations involved in sponsorship, we will move closer to understanding how (if at all) such ties influence sponsorship decision-making.

Thus, in order to improve our understanding of corporate sponsorship, it is important that factors which are likely to dictate how these decisions are arrived at within companies are considered. In the remainder of this chapter, the effect of two exogenous variables on a firm's sponsorship decisions and endeavours are addressed. First, the impact of a firm's competitive environment on its sponsorship decisions is analysed. Second, the influence of institutional pressures on corporate sponsorship is examined. The next section outlines the method which was used for this study.

Methodology

As was the case in the previous chapter, a case-study approach was used to explore the influence of competitive and institutional pressures on sponsorship decisions and actions. This was necessitated by the lack of previous research on this aspect of sponsorship. Rather than relying on questionnaire responses, as has been the case in many previous efforts to study sponsorship, it was felt that new insights would be gained from taking a rather different methodological approach in this study. This method aims to overcome some of the inherent flaws with an over-reliance on questionnaire responses in the study of strategy and marketing (cf. Parasuraman, 1991). For example, interviewing allows for in-depth probes into unexpected issues which arise from the discussion which is not possible in questionnaire-based studies. In addition, face-to-face interviews ensure that the appropriate person has been selected for responding to the questions, and that the interviewee is motivated to answer the questions in greater depth than is often the case with questionnaires.

The data were collected from semi-structured interviews with the key individual(s) responsible for marketing in twenty eight major Canadian-based corporations (or Canadian subsidiaries of multi-national corporations). These companies were currently, or recently had been, committed to significant sponsorship expenditures in Canada. As was described in Chapter 3, the sample of corporations approached was devised from two sources: Canadian Sport and Fitness Marketing, Inc.; and the individuals interviewed in the data collection for Chapter 2 who provided the names of corporate contacts whom they thought might be able to assist with this part of the overall study.

The corporations were selected so as to reflect different industrial sectors (resource companies, financial institutions, breweries, retailers, manufacturers, etc.) and different levels of sponsorship involvement with Canadian sport (event, programme, team, or individual). The logic of the choice of corporations was merely to obtain some variety in organisations and their approaches to sponsorship decisions, rather than to observe a representative sample of corporations involved in sport sponsorship.

Each of the interviews lasted between 45 and 90 minutes and, with the consent of the interviewee(s), was tape-recorded and subsequently transcribed verbatim. Part of the discussions focused on the competitive and institutional pressures and processes that have affected a corporation's choice of sponsorship activity. The interviews were conducted in-person, thus facilitating the pursuit of issues raised by interviewees, and the collection of richer data. The merits of using interviews to study organisational phenomena have been highlighted by Van Maanen (1988). This approach allowed the interviewer to gain a more complete understanding of the competitive and institutional pressures which determined the strategic course that the corporation was pursuing. Some examples of the questions asked included the following: `how does what your competitors are doing in this area affect your decisions regarding extent of sponsorship?'; `are there other organisations which influence the kind of sponsorship activity in which your company gets involved'; `who is involved in the decision-making process?'; `are there politics involved in sponsorship decisions?'; and `how (if at all) do you use the services of an external consultant or agency in arranging sponsorship at any stage in negotiations?'.

In addition to the data obtained from these interviews, additional interviews were held with marketing professionals who worked as agents or advisors in the field of sport sponsorship. The purpose of this was to corroborate the validity of the information provided by the corporate executives. Furthermore, documentary data (such as press-cuttings, news releases, annual reports) on the corporations investigated were used to build a more complete picture of the various competitive and institutional influences on sponsorship.

The transcriptions of the interviews produced over 900 pages of text. These data were analysed according to the three stage coding process, similar to the one outlined by Strauss (1990). First, this involved "open" or unrestricted coding of the data with a view to analysing the information in detail to produce concepts or themes that appeared to fit the facts. This entailed an analysis of each interview, noting themes that recurred commonly across the data set. The second stage consisted of "axial" coding in which a more intense analysis of the data was conducted around the major concepts emerging from "open" coding. This involved a reanalysis of some forty text files which had been derived in the open coding stage. The different categories from the open coding phase were related to each other one at a time in order to determine whether there were linkages between any of them. At this stage, additional data from annual reports and press cuttings were integrated with those derived from the interviews and some twenty major concepts emerged from the refined data-set. These were categorised according to a number of themes which included details of competitive and other pressures which affected sponsorship activity, decision-making processes, and the interactions that key individuals in the firm had with their counterparts in other organisations. The third stage of coding, "selective" coding, was conducted on a subset of these classifications to discover conceptual categories and sub-categories in order to construct theory. This involved a systematic analysis of a number of core categories which were selected from the axially coded data. Selection was based on the ability of the axially derived categorisations to account for variations in sponsorship behaviour. At this stage, the data were cross-referenced by both the "axial" codes and also by corporation and were grouped in a manageable number of themes. This cross-referencing enabled the researcher to determine the degree of support for the proposed influences on sponsorship activity[2].

From the interview data and appropriate documentary evidence, a profile of each corporation was constructed. These biographies featured details of: the type of sponsorship (if any) that the organisation has been involved with; the manner in which that sponsorship was pursued; how decisions regarding sponsorship were arrived at; the nature of the competitive environment in which the firm operated; the influence of competitors and other corporations on sponsorship activity; and the use of external agencies in decision-making and implementation of sponsorship. The organisational biographies were scanned and cross-referenced with one another in order to determine whether corporate sponsorship programmes were influenced by the sponsorship decisions and actions of other firms in their environment. If these inter-organisational influences were evident, the nature of such effects were analysed. In addition, responses regarding the processes employed in sponsorship decision-making were analysed in order to deduce whether networks between top executives existed, and how such relationships influenced sponsorship decisions (if at all).

Results and Discussion

In addition to the deliberate efforts of corporate managers to link their sponsorship activities to their company's own strategic direction outlined in Chapter 3, there was considerable evidence that influences outside the immediate control of the firms in the sample affected their sponsorship activities. These factors included: reactions to sponsorship initiatives adopted by direct competitors; attempts to prevent competitors from gaining a competitive advantage from exploiting a particular sponsorship property; the more subtle, institutionally-based, influences of other entities in the company's environment; and the influence of personal networks. The various impacts of each of these influences on sponsorship in the corporations in the sample are examined in the following two sections.

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[2] Greater detail regarding the methodological approach adopted in this study can be found in Appendix A.

Competitive Environment

The corporations in this study illustrated varying modes of response to competitor action (or its potential) in their sponsorship activities. For example, in the past some firms in the sample had responded to the sponsorship promotions of their competitors, but the majority of managers in these corporations had realised that such a reactive strategy had proven ineffective. Of the managers in those corporations who felt they had been more proactive in sponsorship, some had diminished the value of a sponsorship for competing firms by capitalising on being a first-mover in the area, while others had taken deliberate action to prevent rivals from taking advantage of a potential property.

The direct impact of competitor actions appeared to be particularly evident in highly concentrated industries in which two competing firms formed a quasi-duopoly. Although none of the executives interviewed for this study admitted to being in a follower position in their sponsorship activities at the time of the interview, some hinted that this may have been true in the past. In one industry[3], this concentrated market structure had been facilitated by government regulations which resulted in two firms becoming dominant and competing head-to-head in almost every aspect of their operations. The Manager of Sports Marketing and Sales of one of these companies explained that each firm's attempts to secure a competitive advantage through sponsorship and marketing efforts had drawn a reciprocal response by the competitor. The effect of such cut-throat competition was so severe that both companies had suffered losses in their attempts to secure market share. Both companies had been forced to re-evaluate their promotional activities as a result of the combination of mounting losses and new, lower-priced, competition which had emerged when the industry was deregulated. One of these firms' sponsorship managers explained that "I'm now trying to be the leader and be proactive versus being reactive...if our competitor decides to follow us, that's their prerogative". This, he contended, had not been the case two years earlier, prior to the change in the competitive environment.

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[3] In order to protect the identity of the individual corporations, the industry in which these firms operate cannot be revealed in this discussion.

In another industry in which the combined market share of the two leading firms in Canada was 75%, interviewees from each company claimed that previous activity in sponsorship had been influenced by the actions of the major competitor, but that this was no longer the case. As the Marketing Manager from one of these companies indicated, "just because they're doing X, it doesn't mean that we have to do X plus one. We're less driven by that these days". The sponsorship manager at the company's competitor indicated that he monitored the activities of its foremost rival, although he too was less driven by what that company was trying to accomplish through its sponsorship efforts than had been the case in the past. He argued that "we try to stay away from competing on cost because it's a vicious circle for everybody". The timing of the move away from such reactive responses to competitor action in this industry also coincided with the entry of lower-priced competitors which threatened the market share of both industry leaders. In one of the dominant firms it was noted that the impact of such competition had affected the company "so much so that we lost $50 million two years ago, and $130 million last year, so something had to change this year".

In this industry, executives from both companies claimed that they had previously felt obliged to take advantage of a sponsorship opportunity because they were each afraid to allow the opposition the potential to gain an upper hand. However, the change in competitive environment had caused the Marketing Manager of one of the corporations to realise that this was "a very expensive way to play which increased the price significantly". His counterpart also stressed that his company would no longer buy a property merely to block its major competition.

In a third industry in which the sales of two major producers combine to account for 93% of the Canadian market, one of the firm's sponsorship managers noted that "we always know what they're doing, and they always know what we're doing". However, she also hinted that her company was less likely to react to the sponsorship decision of its competitor than had been the case five years earlier. Her counterpart explained that the two companies had "got themselves to the stage of being first stop for sponsorship seekers by getting into bidding wars" which had a negative effect on each company's profitability. But he continued to explain that "we have done a good job of looking after our business" in recent years. Although the impetus behind this change in sponsorship strategy had not resulted from lower-priced competition as it had in the other two industries described above, legislative changes had altered the nature of competition in Canada by creating an over-capacity within the industry. A further factor which had affected the profitability of the two market leaders in this industry had been a general reduction in the consumption of their product which had resulted from changes in consumer tastes.

As was the case with the previous industry example, the sponsorship managers in these two firms admitted that they previously would become involved in a sponsorship agreement to block their major competitor. In one company the Manager of Sports Properties lamented that "we were in things because, quite honestly, we didn't want to see the competition access something". He explained that the result of such a strategy had been that "the companies got themselves to a stage of getting themselves into bidding wars and they had to have it and couldn't afford to see the other guy have it and we were cash cows". However, this individual went on to explain that this kind of pre-emptive sponsorship was no longer pursued because a greater emphasis had been placed on the ability of sponsorship to proactively relate specifically to the advancement of the needs of a particular brand.

These three examples illustrate the propensity for sponsorship activities of firms in highly concentrated industries to be closely related. This is not particularly surprising given that the competitive environment faced by firms in such industries was relatively stable (Aldrich, 1979; Duncan, 1972). Indeed, it would appear from the competitive reactions which resulted from similarities in assets, resources, and core competencies that the companies in these industries had formed strategic groups (Hatten & Schendel, 1977; McGee & Thomas, 1986).

More recent research in intra-industry competition where strategic groups exist has suggested that new firms tend to enter a sector of the industry which was least protected by barriers to entry (McGee & Thomas, 1992). It is not unreasonable to consider sponsorship to represent a barrier to entry, particularly given the economics literature which argues that advertising can act as a deterrent for new firms penetrating an industry (Comanor & Wilson, 1967; Schmalensee, 1972; Spence, 1980). It is interesting to note that the sectors in which the new entrants started to compete for market share were not those in which sponsorship-related promotions had been focused. Nevertheless, the erosion of total market share for the industry leaders had resulted in a reassessment of their overall sponsorship programmes (cf. Chapter 3).

The firms in these highly concentrated industries which re-evaluated their promotional activity tended to refocus their sponsorship efforts on those properties from which they felt that they could derive a particular competitive advantage. Nonetheless, while the sponsorship managers in the companies in these three industries claimed that pre-emptive sponsorship had declined in recent years, executives in other corporations cited this as a secondary rationale behind some their sponsorship programmes.

In a resource producing and retailing company, the Co-ordinator of Marketing Programmes noted that "if we're not involved with [a sport] next year, somebody else will probably fill our spot from the oil industry, so that's something we have to keep in mind". However, she also indicated that the company was in the midst of re-evaluating all of its sponsorship properties in order to ensure that they tied more closely with its attempts to promote a new public image. In another case, a distributor of luxury wrist-watches explained that he would like to prevent his competitors from becoming involved in winter sports, but realised that this would not be easy to accomplish, particularly given his company's limited resources available for sponsorship. He maintained that he did not want to dilute the effectiveness of his company's existing sponsorship programmes by spreading these resources too thinly. In one rare incident, the Manager of Corporate Advertising and Communications of a consumer electronics company, explained that the fundamental rationale behind his company's sponsorship of a multi-sport games had been to block a competitor. However, he noted that this was an exception to his company's normal sponsorship philosophy because it could not afford to engage in such activity over a prolonged period.

Notwithstanding this one exceptional case, perhaps the strongest message that these examples provide is that pre-emptive sponsorship is no longer considered a cost-effective use of promotional budgets. The increased costs associated with both the acquisition of sponsorship rights and its effective leverage have undoubtedly contributed to the reduction in pre-emptive sponsorship in recent years. In addition, it has been argued elsewhere that one attribute of a successful sponsorship programme is that it directly contributes to the creation of a firm-specific resource (Amis et al., 1997). Rather than acquiring the rights to a property which is unlikely to contribute to establishing a competitive advantage, these examples emphasise the importance of selecting the right sponsorship for a particular company and, as one marketing executive eloquently suggested, "leveraging the shit out of it!".

The increased costs associated with implementing a pre-emptive sponsorship strategy appear to have diminished the use of this tactic for preventing competitor entry into a particular market segment. However, there was considerable evidence that firms can cultivate a first-mover advantage from their involvement in sponsorship. Once such an advantage had been established, it reduced the incentive for a competitor to become involved in a similar form of promotional activity. This was particularly the case in situations in which the first-mover had effectively leveraged its involvement by spending additional money on promoting the sponsorship association.

A number of sponsorship managers appeared to recognise that their sponsorship properties had generated first-mover advantages over their competition. For example, the sponsorship coordinator in a resource company felt that her organisation had established an insurmountable advantage through its association with the Calgary Winter Olympics in 1988. She indicated that her company had generated a large amount of goodwill with Canadians as a result of this sponsorship. Although the association with the Olympics had not been renewed, the firm's market research indicated that a large proportion of Canadians continued to associate the company with the Olympic movement. The sponsorship coordinator indicated that this image association made it difficult for a competitor to derive any significant advantage from becoming an Olympic sponsor in the Canadian marketplace.

The Promotions Manager of a different company in the same industry felt that his firm's sponsorship of a particular sport had been hampered by a rival's first-mover status. He explained that "I have a lot of respect for [the competitor]: they've stayed the course with hockey for years and years, and they own that sport, from minor hockey, all the way up to the NHL, on a very tangible basis". He also indicated that his company's attempts to become involved with the same sport had resulted in only a 4% awareness of association among consumers, despite "spending a lot of money on the programme".

By being the first corporation in a particular industry to become associated with a sport or event, these companies had been able to cultivate an image association between the sponsored property and themselves (Witcher et al., 1991; Ferrand & Pagès, 1996). Furthermore, the benefits from this affiliation had not diminished significantly over time, suggesting that a stock of goodwill had been built up by a company's being the initial sponsor of a team or event. Indeed Sleight (1989) reported that Gillette's association with cricket in England had survived its actual sponsorship of a tournament by some years. Thus, first-movers in sponsorship appear to be able to create barriers to entry in a similar fashion to firms which benefit from early advertising (Comanor & Wilson, 1979).

The difficulties encountered by late-comers to sponsorship in their attempts to overcome the goodwill built up by a forerunner can be related to the absence of possible disadvantages of being a first-mover that were identified by Lieberman & Montgomery (1988). For example, they argued that later entrants have the opportunity of 'free-riding' on the early learning-curve of a first-mover's technological innovation. In doing so, they can avoid the errors involved in the early stages product development. However, it is difficult to conceive of situations in which late-entrants to sponsorship can `free-ride' on first-mover investments made by other firms. This is particularly true if sponsorship expenditures have been aimed at cultivating a firm specific resource, as Amis et al. (1997) suggested. It is more difficult to `free-ride' on an intangible resource, such as that provided by sponsorship, than on a more concrete one such as product innovation. This is because it is difficult for rival firms to identify, let alone attempt to imitate or mitigate, intangible resources (Hall, 1992). In the case of sponsorship, long-term contracts may prevent a rival firm from impinging on a sponsorship agreement. Also, even if another company were to take over an event or team sponsorship, it would have to spend a considerable amount to effectively convey the change to the public (Amis et al, 1997). In comparison, late-comers are able to improve on original innovations in order to divert market-share from the first-mover. Also, a firm's sponsorship programmes are unlikely to be so inflexible as to be unable to adapt to changes in consumer tastes (as might be the case with innovation because of heavy investment in research and development of a particular technology).

Regardless of whether or not a firm is perceived as being proactive or reactive in its sponsorship activities, this analysis illustrates the importance of considering the impact of the competitive actions and reactions of other firms within an industry in understanding sponsorship decisions. However, intra-industry competitiveness was not the only influence on the sponsorship efforts of at least some of the firms in the sample. The next section assesses the institutional influences on a firm's sponsorship endeavours.

Institutional Environment

The sponsorship activities of corporations in this study were influenced by, or responded to, institutional pressures in four different ways. First, other companies within a particular geographical region were seen to exert influence on many aspects of corporate activity, including sponsorship. Secondly, the type of sponsorship pursued by some corporations was evidently influenced by other firms within their industry, although not in the directly competitive manner described above. A third effect on the choice of some companies' sponsorship programmes was the input of influential executives or directors who were connected in either a formal or an informal fashion with other organisations. Finally, there was some evidence that the occupational training of individuals in certain industries affected their choice of promotional activities. However, there was little support for the notion that similarities in sponsorship activity were related to the use of external consultants.

The sponsorship programmes of a number of corporations whose Calgary-based head offices were influenced not only by the activities of other corporations in their industries, but also by others with head offices located in the same city. For example, the Manager of Sports Marketing and Sales of a firm in the transportation sector stressed the importance of the company being seen to be supporting the community in Calgary. This was particularly evident in the decision to support two events held in the city. One of these, the Stampede, is held on an annual basis; the other, the Canadian Football League's Grey Cup final, was hosted by Calgary in 1993. The Marketing Manager of a resource producer and retailer expressed a similar rationale for his company's involvement in these events when he stated "we do some things just because we're a big corporate citizen", indicating that this kind of support was what was expected in the business community in the city. The rationale for the involvement of a retailer in the Stampede was simply "because we are based in Calgary and that is one of the biggest events in the city, we have to be involved". Although there were sound business reasons for sponsoring the event, the Marketing Manager indicated that her superior (the Vice President of Marketing) had grown up in the city and felt that the Stampede was an event in which Calgary-based corporations should be involved in some way. Perhaps the strongest evidence of institutional pressures to sponsor certain events within Calgary was provided by the Director of Public Affairs in another company in the resource sector who noted that:

> Calgary is a unique city where corporations have built this town and so it's hard to say what you get if you do sponsor, but I think it's more clear what you don't get if you don't participate...I don't think that we should take the view that you're forced to contribute money, but the quality of life in Calgary is directly related to the fact that corporations are committed to enhancing the quality of life...I would think that there's some subtle pressure applied by other corporations...No one says `because company X spends it over here, it means we have to ante up'. It's much deeper than that: it goes back a number of years when there was a recognition that participation in the community was something that, as a major employer, we had to take a leadership role in. And because we still retain our leadership position in the community along with the [other oil companies], you cannot leave it, nor would we expect to - it's no longer something that we are pressured into. I think it is just an understanding that there is a role for companies who are large and are major employers and who, to some degree, access community services in a disproportionate amount, that we need to return something.

Given that many of the Calgary-based companies were involved in the resource producing industry, it is difficult to determine whether the pressure to participate in certain sponsorship activities was driven by the fact that they were physically in close proximity, or whether the stronger force was that they were in the same industry. Nevertheless, the fact that executives in non-resource companies felt that they should support certain events suggests that the influence was more than merely industry-based. Indeed, one situation in which institutional pressures result in organisations pursuing similar courses of action occurs when managers feel obliged to conform to what they perceive to be norms of their surrounding society (Galaskiewicz & Wasserman, 1989; Zucker, 1987). DiMaggio and Powell (1983, p.148) referred to groups of organisations which operate in the same institutional environment as an "organizational field", the scope of which extends beyond competing firms, or networks of firms that actually interact with one another. In the realm of sponsorship, the mere fact that other large corporations within a geographic location are seen to support a particular event or series of events, appears to lead managers to believe that they are expected to do likewise.

These examples provide substantial support for the notion that corporate decision-makers are likely to use other corporations as an external reference point (DiMaggio & Powell, 1983; Galaskiewicz & Wasserman, 1989). This form of emulation is perhaps more an example of coercive pressures which have resulted from a sense of corporate community in Calgary, rather than being a consequence of sponsorship uncertainty. As Meyer and Rowan (1977, p.349) indicated, "the incorporation of institutionalized elements and practices provides an account of its activities that protects an organization from having its conduct questioned". More than one of the interviewees explained that the culture in the city was one which emphasised the need to support community events in order to create a sense of civic pride. In contrast, this kind of rationale for the support of local events was not evident in companies based in the greater Toronto area.

However, there were examples of mimetic pressures from other firms which were more clearly related to the fact that they were involved in similar lines of business. Some firms tended to model themselves after similar organisations in their field that they perceived to be more successful. For example, in the financial services industry, the Promotion and Event Marketing manager in bank "A" claimed that in the past "there was a real network of if one bank did something...then they all lined up". She also suggested that, with the notable exception of the industry leader, her competitors did "not know what they were doing in sponsorship". The Manager of Sponsorship Marketing in bank "B" felt that others in the industry had seen the success of her firm's sponsorship efforts with one sport and had "jumped on the bandwagon" without necessarily determining the potential effectiveness of their association with other sports. The Event Marketing Manager of bank "C" supported her counterpart's assessment of the situation when she suggested that bank "D" had become involved with a different sport "because the chairman wanted it" after he had seen the success of bank B's sponsorship. The proliferation of similar sponsorship activity had also been evident in the consumer electronics business. The Director of Marketing in one company which had previously been more active in sponsorship noted of the industry members that "we were all spending for the sake of spending, and there was showmanship there, but I mean those were different times...other companies were doing that type of business as well. Now everything has to have purpose and value". It appeared that, at least in the past, efficiency and goal attainment for these organisations were of minimal importance in their use of sponsorship. Instead, it seemed that a sense of becoming identified with the actions of `successful' organisations in the field was more of an issue (cf. DiMaggio & Powell, 1983; Hinings & Greenwood, 1988).

One justification for the argument that institutional pressures have an impact on sponsorship activities is that the latter are notoriously difficult to evaluate effectively (Abratt & Grobler, 1989; Marshall & Cook, 1992; Pope & Voges, 1994). In their study of philanthropic donations made by corporations, Galaskiewicz and Wasserman (1989) argued that "uncertainty is especially common in the inter-organizational arena, inasmuch as the environment is made up of less than fully informed organizations that are making strategic choices in light of the strategic choices of other uninformed organizations" (p.454). Doubts also arose in the domain of sponsorship decision-making in the sampled firms because of its multifaceted nature and the lack of a universally accepted means of evaluation. Thus, sponsorship managers evidently based their decisions on the actions of other corporations in their industry, and particularly on the endeavours of firms which are perceived to be industry leaders. By doing this, those responsible for sponsorship provided a sense of legitimacy for senior executives and shareholders who had little to judge the direct effectiveness of these programmes. Therefore, a more reasonable explanation of this form of imitation is that it derives from institutional rather than competitive pressures.

A different inter-organisational force was also evident in a number of companies in the sample. Rather than feeling subtle pressure from other corporations in the same city or industry to support local events, some interviewees provided testimony of a more direct form of pressure. This took the form of interlocking directorships and the personal friendships of high-ranking corporate officials which resulted in a number of corporations sponsoring a particular event. In one company, sponsorship of a competition was formally justified because of the event's profile and the clientele that could be entertained there. However, the Marketing Manager conceded that the event's director was on the company's board of directors and that this certainly did not hinder its chances of being sponsored. Galaskiewicz & Wasserman (1989) found evidence that a corporation is more likely to donate money to a non-profit organisation if a director of the latter is also a board member of the former. This illustration suggests that this is also the case in event sponsorship. As Galaskiewicz and Wasserman argued, the theoretical rationale behind this form of network effect is that "decision makers are more likely to mimic those whom they know and trust, and it's through the networks of boundary-spanning personnel that they come to know and trust one another" (1989, p.456).

A slightly different rationale for sponsoring the same event was provided by one of the resource producing companies. This company's Coordinator of Marketing Programmes noted that her CEO had stated that the company would be involved in the event and that "we all had to hop, skip and jump to get everything and evaluate it", even though it did not make business sense. In another oil company, the Manager of Marketing Communications complained that "every year I take it off my budget, and every year it comes back, and it pisses me off because there is nothing that I get out of that bunch...if you can get to the heart of the CEO, there are certain things that you can do". In each case, it was explained that the CEOs were close personal friends, not only with one another, but also with the sponsored event's director.

The importance of social networks as a means of dealing with environmental uncertainty has been highlighted by a number of authors (DiMaggio & Powell, 1983; Galaskiewicz & Wasserman, 1989; Granovetter, 1985) For example, Galaskiewicz & Wasserman (1989, p.455) noted that such networks could be "extremely useful in overcoming the uncertainty and distrust that often plagues economic transactions". The benefits of developing a long-term personal relationship and mutual trust were also noted by Williamson (1979, p.241) who argued that "idiosyncratic exchange relations which feature personal trust will survive greater stress and display greater adaptability". In the sponsorship arena, the development of trust is possibly more important than in other exchanges between corporations because it often takes a number of years to create a viable sponsorship property. For example, the marketing manager in one firm suggested that "all the equity we build up incrementally ... and that's where five to six years of investment starts to pay off in reams". This type of patience is something which often relies on personal trust between executives who represent different nodes within a network (cf. Thorelli, 1986).

Social networks are thus thought to reduce the long-term cost of doing business by developing trusting relationships. However, they have also been shown to be a means through which information and ideas are transferred. In the area of philanthropic giving, Galaskiewicz and Wasserman (1989) found that networks between CEOs, directors, donations officers, and non-profit board members were extremely important in determining which corporations were likely to donate to particular charities. Although the motivations for sponsorship tend to be somewhat different from those that lie behind philanthropy, it is not particularly surprising to find similar networks of top level executives having some impact on sponsorship activity. This is particularly so, given the previously noted difficulties associated with evaluating sponsorship.

It should be noted that in some instances, personal influences resulted in a sponsorship agreement which made strategic sense. For example, the marketer of luxury watches explained that he had built up a measure of trust with an individual who had been the President of a trade association prior to his appointment as Executive Director in a national sport governing body. This personal and professional relationship had resulted in the marketer approaching the sport organisation when he was seeking to increase exposure of his products for relatively little cost. Similarly, a beer company's involvement in the support of AIDS awareness was personally motivated, but was justified at a strategic level. The Public Relations Manager explained that those most likely to be affected by the disease formed the prime market segment for the company, and also that the association tied in with the corporation's message to "act responsibly" in other aspects of life (such as drinking and driving). Thus, it should not be presumed that the influence of personal factors will automatically result in sponsorship programmes that are of little strategic benefit.

However, although it may have enabled top corporate officials to develop a level of personal trust with their counterparts in other firms, the influence of key executives did not always result in decisions which were logical to marketing managers who had to implement the programmes. In one of the financial institutions, the Manager of Promotions and Event Marketing noted of a proposal that "the chairman wanted it, so you had to write it in a way that you should do it and that was against our better judgement...he wanted it, so we did it...it's incredible how the feelings of the chairman affect the way we do things here". In another organisation, it was suggested that the CEO used his position to pressure the Sports Marketing Manager into deals "that did not make strategic sense." In an oil company, the Public Relations Manager explained that "sometimes if the president likes it, that's all it takes" and that if the president knows someone who sends a proposal, "it'll get a lot more attention than it would at our level if it had come in to us".

Despite these examples of what has been referred to as the "chairman's wife syndrome" (Marshall & Cook, 1992, p.322), there was evidence that these influences on sponsorship decisions were rapidly becoming the exception as opposed to the norm. In many cases, the influence of executives who had no formal role in marketing or public relations had been limited in recent years.

In one organisation, it was noted that the "Chairman likes tennis, so we spent $5000 on a junior tournament, but that's not the million dollars the Bank of Montreal spends on horse jumping".

The Marketing Manager of a manufacturing firm noted the reduced influence of the chief executive when he suggested that "one year ago we said no, and then our president got involved and then we were saying yes". However, he continued to explain that his company's new president ensured that such a rationale could still be justified, "but not to the extent it was before". A similar reduction in political influence was also noted in one of the financial institutions in which the Public Relations Manager explained that "there's always politics, always", but that most decisions were now based on "strategic positioning".

The reason why this kind of politicking is becoming less prevalent relates to the findings presented in Chapter 3 which highlighted the strategic nature of sponsorship. As was explained there, sponsorship is becoming more closely tied with the overall strategic direction of a firm, often at the insistence of top executives. Therefore, sponsorship managers have an increased sense of providing shareholder value and being more accountable for their actions. As a result, there is evidence that the purely personal preferences of top executives are becoming less of a factor in sponsorship decisions.

However, while most sponsorship managers claimed that this type of personal persuasion was largely a thing of the past, there is some indication that it still prevails. In many cases, this could be justified because of the benefits generated from networks between top level executives. One of these positive effects was the establishment of trusting relationships between individuals from different corporations. Granovetter (1985) noted that interpersonal networks are important mechanisms through which trust can be created because they overcome the suspicion and leeriness that are often features of economic transactions. The building of trust becomes particularly important in uncertain environments in which, as Galaskiewicz and Wasserman showed, organisational actors are "more likely to mimic those organisations to which they have some interpersonal tie" (1989, p.473). The significance of this form of boundary-spanning role of senior executives appeared to have been elevated in the sponsorship domain in some companies because of the lack of consistent evaluation procedures which prevented marketing executives from making purely objective decisions.

In addition to these network pressures, there was also some evidence of normative pressure which resulted from the formal education and training of the individual who was responsible for the decision to sponsor. For example, there was a strong quantitative bias in the training of personnel in two corporations, and this was reflected in their corporate cultures. The educational background of even the promotional staff in these companies was in the `hard' sciences. As a consequence, these decision-makers argued that sponsorship proposals were more likely to succeed in their companies if they showed a direct and quantifiable benefit in terms of increased sales. In one of these firms, the Marketing Communications Manager explained that "when [marketing] funds start to drop, the things that suffer are those that are less tangible". He also recounted that sponsorship activity had been drastically reduced after the firm had begun its involvement with a customer loyalty programme. He said "I could show you the transactions before and after and the difference was that immediate. It was unbelievable, I've never seen anything like it, it's so tangible".

The experience in these companies contrasted markedly with those corporations in which sponsorship was perceived as more of a public relations function than one directly related to marketing. For example, the individuals responsible for sponsorship in two resource extracting companies had public relations backgrounds. Their firms' sponsorship efforts concentrated more on generating and maintaining goodwill in the areas in which they operated, rather than on more quantifiable promotions which generated sales directly. One of the financial institutions had previously stressed the public relations role of sponsorship. However, since deregulation of the industry, the notion of marketing as a strategic activity had become more important (cf. Ennew, Wright & Thwaites, 1993). For example, a new manager of sponsorship had been appointed who had a more marketing-driven focus than her predecessor.

Previous research on sponsorship has shown that firms attempt to fit sponsorship within their sales promotion, advertising, or public relations functions (Shanklin & Kuzma, 1992; Witcher et al., 1991). However the specific occupational background of a company's sponsorship manager has not been shown to influence its endeavours in that domain. An explanation for the findings presented here is that managers are likely to conform to certain `accepted ways of doing things' which have become conventions in their professions (DiMaggio & Powell, 1983; Zucker, 1987). These standards may have been established in their formal education, or in industry seminars, or professional associations (DiMaggio & Powell, 1983). Regardless of how they were established, these normative pressures which resulted from professionalisation appeared to have had some impact on sponsorship activity.

While professionalisation represented a somewhat surprising example of normative pressures on sponsorship, the existence of mimetic pressures as a result of the use of external sponsorship consultants was expected. This is because managers in different firms within an organisational field may rely increasingly on the input of external agents who offer the same perspective to solve problems in various settings (DiMaggio & Powell, 1983; Shapiro, 1987). It was felt that this was especially likely to be the case in sponsorship, given the changing nature of the industry and the fact that it still only accounts for a relatively small proportion of marketing budgets in most firms (Sponsorship Research International, 1995). It was therefore expected to find that expertise in sponsorship would only be evident in the largest corporations which used sponsorship extensively. In firms which could not justify having a sponsorship expert `in-house', similarities in sponsorship programmes which resulted from a reliance on external expertise were anticipated.

However, there was little evidence that the use of external sponsorship experts had exerted an influence on decisions made within the corporations in the sample. The majority of sponsorship executives claimed that they either did not use this kind of external assistance, or that they only used it to help with the implementation or evaluation of programmes which they had predetermined internally. Nevertheless, some executives in companies with larger sponsorship budgets acknowledged that they had previously used external agents in developing sponsorship programmes until they felt comfortable with internalising the process. Even when different companies had used the same agency, there was little evidence that any similarities between their sponsorship decision-making processes had resulted from the agency's recommendations.

This contrasts with the findings of Slack and Hinings (1994) in their study of Canadian national sport organisations. They reported that Sport Canada consultants developed guidelines for the development of quadrennial plans. These guidelines promoted the adoption of programmes and procedures prescribed by the consultants. In the case of national sport organisations, it should be noted that there was considerable evidence of coercive pressures exerted by the state. Nonetheless, there was little indication that state institutions were the source of coercive pressure being exerted on the sponsorship activities of the corporations in the sample. However, it should be noted that there were no tobacco companies included in this sample. In Canada, as in many other countries, the state has severely restricted the opportunities that these companies have for promoting their product. As a consequence, it would appear that coercive pressures have resulted in their adoption of similar forms of sponsorship behaviour. Such coercive institutional pressures are also likely to be prevalent in other industries which are heavily regulated by the state in many countries. These include transportation, telecommunications, the distribution of alcoholic beverages and pharmaceutical products, and broadcasting.

Concluding Remarks

This chapter has illustrated that influences on the sponsorship behaviour of a corporation stretch far beyond the confines of a single organisation. At the very least, these findings serve to reinforce the arguments presented in Chapter 3 which highlighted that corporate decision-makers are viewing sponsorship in a more strategic context. In order to understand the nature of the sponsorship process, it has been shown that it is important that the actions of other entities which form part of a company's environment are considered. On the one hand, this is likely to include an assessment of the competitive environment in which the firm operates. On the other, it has also been illustrated that the impact of a firm's institutional environment is an important influence on sponsorship activity.

The sponsorship actions of rival companies were shown to be particularly influential on a corporation's own sponsorship endeavours if few firms operated in the industry. In this respect, sponsorship appears to differ very little from many other actions undertaken by corporations to gain a competitive advantage. The more concentrated the industry, the easier it becomes for managers to adequately scan the environment to discern the actions of rival firms. They are therefore able to develop suitable strategies to combat attempts made by other firms to gain an advantage. While industrial concentration was shown to be one influence on the strength of competitive pressures on sponsorship, an issue which was not addressed in this study was the relationship between structure, conduct and performance. In future investigations of the impact of the competitive environment on sponsorship, it would be interesting to determine whether the success of sponsorship activity of monopolies or duopolies differs significantly from that of firms in more competitive industries. Also longitudinal studies of promotional activities conducted by firms operating under different competitive positions would provide useful insights into the impact of a change in competitive environment on sponsorship.

At a less macro level of analysis, this study provided evidence of the existence of a first-mover advantage in sponsorship. However, this was only shown to be the case when the sponsorship was effectively leveraged with additional promotions. Unlike other corporate activities, such as product innovation or research an development, sponsorship was shown to possess unique attributes which limit the potential for followers to reap incremental advantages by learning from first-mover mistakes. Prime among these attributes is the intangible nature of sponsorship. As Hall (1992) argued, it is difficult for rivals to even discern the advantages bestowed on a corporation by its intangible assets. It is therefore extremely unlikely that competitors will be able to counteract competitive advantages resulting from sponsorship (cf. Amis et al., 1997).

While a first-mover in sponsorship was shown to enjoy considerable advantages over rival firms that were followers in sponsorship, an extreme form of first-mover tactic, pre-emption, was not shown to confer any competitive edge for firms that adopted it. In fact, there was evidence that pre-emptive sponsorship was declining as corporate managers sought to ensure that their promotional resources were directed toward achieving firm-specific strategic objectives. As the cost of acquiring sponsorship rights has risen, it would appear that pre-emptive sponsorship has become a less attractive means of spoiling a competitor's marketing efforts than was the case a decade ago.

In addition to the influence of pressures in the competitive environment, the results presented here strongly suggest that a variety of institutionally based pressures (and strategic responses to such pressures) are critical in explaining sponsorship behaviour of firms. Oliver (1988) noted that the literature on isomorphism has not identified specific characteristics which are expected to be similar across organisations in an institutional field, but that there is an expectation of general similarity across all attributes. However, she went on to assert that "isomorphic forces may operate with varying effect on different organizational attributes" (p. 588). The results of this study indicate that sponsorship is one area of activity which is more prone to isomorphism than others because of difficulties encountered in evaluating its effectiveness.

Of the three mechanisms that DiMaggio and Powell (1983) identified as sources of institutional pressure, mimetic forces were found to be important in the sponsorship activity in many firms in this sample. This research suggests that sponsorship decision-makers will mimic the actions of other firms (and particularly those that they consider to be leaders) within their environment. It was also argued that coercive pressures to conform to socially expected norms are experienced by corporations in some locations and industries. However, coercive pressures derived from state institutions or regulations were not found to prevail in the corporations in this sample. The third source of institutional pressures, normative stresses, were found to be present in cases where sponsorship decision-makers had received similar types of educational training. However, the expected influence of external consultants did not appear to be a factor in the corporations in this sample. It is important to realise that these three forces can interact with one another to reinforce institutional isomorphism (cf. Slack & Hinings, 1994). Although there was little evidence of institutional pressures resulting from the use of specialised sponsorship agencies or the state in the corporations in this sample, this is not to imply that future investigations of sponsorship will not show that these factors have a profound influence this form of promotion. One implication of this for future investigations is the importance of studying corporations that must comply with legislation which restricts their freedom of strategic choice in promotional activity. Also, corporations which are subjected to greater normative pressures because of their use of consultants to determine their sponsorship programmes should be investigated further. Zucker (1987) noted that the distinction between institutional and resource dependency perspectives on understanding isomorphism is far from clear. The kinds of studies proposed here could provide results which could help to define these differences.

A final implication of this study for individuals who are responsible for acquiring sponsorship is that it highlights that there are a number of possible strategic responses to institutional pressures which affect corporate sponsorship activity. For example, while recent researchers have tended to down-play the role of personal influences on sponsorship decisions, the results presented here indicate that social networks are important in determining which firms' sponsorship actions will be mimicked by other companies. In addition, it was shown that personal contacts between individuals who span the boundaries of corporations and potential sponsorship recipients are one means of overcoming uncertainties posed by a firm's institutional environment. Also, if potential sponsorship recipients can discern that managers of corporations are seeking to legitimise their sponsorship actions by copying the exploits of prominent corporations in their institutional environment, they will be better able to target their energies in the direction of companies that are predisposed to considering their requests favourably.

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CHAPTER 5
Conclusion

As a consequence of reductions in government funding, many non-profit organisations are starting to compete with one another to secure limited resources from a finite group of prospective patrons. As such, it has been argued that these organisations should view their attempts to secure finances in a strategic and competitive context (Butler & Wilson, 1990; MacMillan, 1983). These cutbacks of public funding are a relatively new development for many non-profit organisations which have become accustomed to receiving government support and, as a result, many of them appear ill-equipped to deal with the new funding realities which they now face.

Canada's national sport organisations (NSOs), for example, benefitted from increasing levels of government support from the early 1960s through to the late 1980s. During this time, there was no shortage of demands for greater emphasis being placed on the private sector in funding sport (cf. Harvey, 1988; Macintosh, Bedecki, & Franks, 1987). However, recent federal government reports (Canada, 1988; 1992; 1994) and pronouncements (Christie, 1997; Ostry, 1995) have made it clear that NSOs will have to become increasingly dependent on non-governmental sources of finance to fund their events, teams, and programmes or risk losing them. Indeed, arguments concerning the need to reduce `unnecessary' government spending in order to fight the growing government deficit featured prominently in the 1997 federal election campaign. Thus, there is little sign that the current Canadian government will see fit to expand its diminished role in the support of non-professional sport to the levels of funding experienced in the late 1980s.

One purpose of this research project was to evaluate whether NSOs are in a position to generate revenue from corporate sponsorship to replace reduced government funding. A second objective was to assess the impact of a variety of influences which affect sponsorship decisions in corporations. The aim of this was to enhance awareness of how corporations arrive at their sponsorship decisions. This, it was believed, would be useful information for personnel within NSOs and, indeed, staff in other organisations which are starting to seek corporate support for their programmes. In order to accomplish these goals, semi-structured interviews were conducted with employees responsible for sponsorship programmes in thirty-four NSOs and twenty-eight major Canadian corporations. It was expected that this form of data-collection would reveal in some depth the various processes involved in organisations which are potential recipients or providers of sponsorship support. Two primary outcomes from the development of a more profound understanding of the issues involved in the sponsorship process were envisaged. First, it was anticipated that the research would enable an assessment of the validity of the government's implicit assumption that NSOs are able to increase their reliance on the private sector. Second, with a greater knowledge of factors that influence sponsorship decisions within corporations, it was presumed that non-profit organisations engaged in various activities (i.e., not just NSOs) would be better able to target their efforts in this area effectively.

The remainder of this chapter is structured as follows. In the next section, the findings of each of the previous chapters are summarised and related to the central theme of understanding corporate sponsorship from a strategic perspective. This is followed by a section which provides a discussion of the implications of these results for potential recipients of sponsorship, and for corporations which engage in this form of promotional activity. These implications highlight a number of issues which are deserving of further research. The subsequent section outlines some of these questions and offers some suggestions for how they might be resolved.

Summary of the findings

In the first part of the research project (Chapter 2), a framework was developed as a tool to determine the various factors which affect a NSO's ability to generate corporate sponsorship. The levels of two principal environmental factors were seen to be primary influences on each NSO's sponsorship efforts. These were: the amount of media coverage of various events under the NSO's direct control; and the number of participants who could be reached by the NSO's communications. It was argued that it is difficult for an NSO to increase the level of either of these two factors, at least in the short term. The NSOs were classified according to their relative levels of these two primary influences on sponsorship, and suitable strategies were outlined for members of each group.

Even when NSOs facing a similar sponsorship environment were compared, considerable variations of success were noted. It was argued that the more successful organisations within each group were NSOs which had ensured a suitable fit between their external environment, their structures, and the strategies they had adopted for acquiring sponsorship. Conversely, the NSOs within each group that under-performed relative to their peers had employed unsuitable strategies (or in some cases, no strategy whatsoever) for their environment, or had inappropriate structural attributes. For some of these NSOs, both strategic and structural characteristics were incompatible with their environment.

Having investigated the factors which influence the success of efforts undertaken by potential recipients of sponsorship, the second and third studies (Chapters 3 and 4) investigated the question of whether sponsorship decisions within corporations were affected by broader strategic issues. Although it is perhaps not surprising that this was found to be the case, the lack of sophistication shown by many individuals responsible for marketing within NSOs in the first study indicated that this type of information would provide useful assistance for their future endeavours in this area.

The second study (Chapter 3) provided an analysis of the extent to which those responsible for sponsorship within corporations attempted to tie it to their corporate or business level strategies. In most companies, the interviewees claimed that, at the time of the interview, there was a linkage between sponsorship and the firm's wider strategic direction. Some admitted that this may not have been the case in the past, but the majority of these individuals asserted that efforts were being made in their corporation to ensure that there was a strategic rationale behind each sponsorship decision. In the few companies that had not attempted to make such a connection, previous sponsorship programmes had not been deemed particularly successful or effective.

This chapter also illustrated how sponsorship activities had been affected by various types of business and corporate level strategy. At one tier, the implementation of diversification and global strategies was seen to have an impact on the type of sponsorship that was used to support the corporate level strategic direction. At the business level, a variety of strategies were supported by sponsorship programmes. These included the geographic expansion strategy of a clothing manufacturer, the turnaround and business redefinition strategy of a distributor of luxury wristwatches, and the marketing differentiation strategies adopted by many corporations which had been enhanced by sponsorship-related promotions. A final type of strategy which directly impacted on sponsorship activity was one of exit or withdrawal. In many cases, business level retrenchment had resulted in reductions in expenditures on activities which could not be shown to contribute directly to profitability. Notable among these affected expenditures were sponsorship budgets. However, it is also possible that retrenchment can entail a consolidation of a particular aspect of a corporation's business operations. In such a case, sponsorship could form a relatively cost-effective means of promoting a company's redefined business scope. An interesting feature that lay behind the adoption of many of these strategies was that they were influenced by changes in the legislative, regulatory, or social environment in which the corporation operated.

It therefore seemed logical to assess a variety of external influences on corporate sponsorship decisions. In Chapter 4 this was accomplished by an assessment of the impact of two sets of exogenous factors on sponsorship. First, the effect of competitor actions on a firm's sponsorship endeavours was addressed. It was argued that strategic groups of companies had formed in some industries, and that each firm within these clusters had adopted similar approaches to sponsorship. This was particularly the case in highly concentrated sectors of the economy. It was also noted that there was a first-mover advantage involved in sponsorship, but only if the association with a team or event was effectively leveraged with additional funding to promote the initial investment in acquiring sponsorship rights. The interviewees argued that the practice of pre-emptive sponsorship (in which a property is acquired merely to prevent a rival's access to it) was an ineffective use of limited resources available for this form of promotion. This finding acted to reinforce the notion that successful sponsorship programmes must support a corporation's wider strategic objectives.

The second set of exogenous influences which were shown to have an impact on sponsorship decisions in some firms were institutionally, rather than competitively based. Since sponsorship is still an activity which is renowned for being difficult to evaluate effectively (Abratt & Grobler, 1989; Marshall & Cook, 1992; Pope & Voges, 1994), it was argued that sponsorship decision-makers tend to mimic the actions of other firms (and particularly industry-leaders) within their environment. They were also found to be influenced by what they perceive to be socially expected norms for corporations in their sphere. In addition, while recent researchers have tended to down-play the role of personal influences on sponsorship decisions (Marshall & Cook, 1992; Meenaghan, 1991), the results presented in this chapter indicated that social networks are important in determining which firms will be mimicked and which organisations will be chosen to receive sponsorship support. Furthermore, the educational training and background of sponsorship decision-makers was shown to influence the type of activity that a corporation would sponsor. However, it was noted that specialist sports marketing agents appeared to have only a limited impact on the initial sponsorship decisions of corporations.

Each of these studies incorporates a central feature which served to set them apart from most of the previous efforts to understand corporate sponsorship. This property is the application of theoretical concepts that were drawn from outside the fields of marketing and promotions which are traditionally associated with this element of corporate activity. This broader theoretical underpinning of the research enabled new conclusions about the nature of sponsorship to be drawn. In the next section, these findings are related to the central issues which the research project initially sought to address.

Implications

From the results presented in Chapter 2, there is strong evidence that the assumption that most NSOs have the ability to attract significant sponsorship support is erroneous. This is partly because many NSOs exist in an environment which is characterised by limited media exposure, a narrow participation base, or inadequacies in both of these primary contributors to sponsorship success. Recent budget cuts to Canadian Broadcasting Corporation (CBC) have affected the amount of national television exposure for non-professional sport. For example, the 1997 Athletics Canada national trials meet for the World Championships was not covered by a national broadcaster for the first time since the late 1980s. Whether or not the granting of a broadcast licence for a new specialist sports channel in Canada will have any impact on NSOs' ability to increase their media profile remains to be seen.

While NSOs have some potential for taking advantage of new developments in Canadian broadcasting, they will face challenges in developing the second major influence on their sponsorship success, participation base. This is because most NSOs are still reliant on government funding for a large proportion of their budget. The amount of government support provided to NSOs is becoming increasingly dependent on their elite athletes achieving high placings in international competition (Ostry, 1995). As a result, NSOs are being forced to concentrate their limited resources on high performance, rather than mass participation programmes (H. Wilson, July 19, 1997, personal communication).

In addition to the existence of external constraints on developing media exposure and participation bases, the level of marketing expertise within many NSOs was found to be deficient. It is evident that the volunteer board members of many NSOs still do not see raising sponsorship revenues as a strategic investment which requires the allocation of resources. It appears that some prospects exist for NSOs to benefit from changes in the Canadian broadcast environment. However, in order to avoid squandering the opportunities presented by these developments, it will become increasingly important for these organisations to develop and implement long-term plans to forge strategic links with the new broadcasters and event promoters.

In addition to strengthening ties with these actors in Canada's sport system, it was argued in Chapter 2 that some NSOs could benefit from promoting closer structural relationships with their constituent provincial branches and, in some cases, with other NSOs. Moreover, it was noted that some NSOs have been more successful than others in creating alliances with their elite level athletes. While the focus of this research was not on individual endorsements *per se*, such agreements have clear implications for the sponsorship efforts of NSOs. The latter are likely to be less successful if a marquee athlete endorses the products of a direct competitor of the NSO's sponsor. For example, Donovan Bailey has contracts with companies such as Air Canada and Powerade; while Athletics Canada's sponsors include Canadian Airlines and Gatorade. Given the resources required to develop such linkages, it is important that plans are formed in advance (Mizruchi & Galaskiewicz, 1993). Furthermore, it has been argued that "when an organization is set on developing links with other organizations found in its environment, its intentions should be explicitly laid out in its strategy" (Thibault & Harvey, 1997, p.58).

Thus, the first study illustrated that it is somewhat unreasonable to expect corporate sponsorship of NSOs to fill the gap being left by reductions in government funding, at least given the current environment and levels of expertise. The second and third studies highlighted a number of implications for increasing our general understanding of this form of promotion. Prime among the implications arising out of Chapter 3 is the need for current and potential recipients of sponsorship to investigate and understand corporate strategies. If potential recipients of sponsorship fail to invest time into carefully assessing how a property might contribute to achieving corporate strategic objectives, it is becoming increasingly unlikely that they will be successful in acquiring this form of support. In addition, it was shown in Chapter 4 that competitive pressures are crucial influences on many sponsorship decisions. It is therefore vital that individuals who are seeking sponsorship on behalf of non-profit organisations make themselves aware of issues which might affect the competitive nature of an industry which they are targeting.

One such issue which appeared to have a particularly strong influence on the levels of sponsorship activity in some industries was a reduction in government regulations. The short-term effect of deregulation in industries such as financial services, air transport, and telecommunications has been an increase in the level of competition. In many cases this has meant that there are more potential providers of sponsorship support within an industry. However, the heightened sense of rivalry between firms in these sectors has also served to ensure that their sponsorship programmes are linked to achieving specific objectives. Again, this highlights the fact that marketers of NSOs (and other organisations seeking sponsorship) must be able to explain objectively how sponsorship of their programmes can help to realise corporate goals.

However, as the results presented in Chapter 4 indicated, there is still some logic in representatives of potential sponsorship recipients attempting to develop personal contacts with key decision-makers in corporations. These kinds of contacts could be developed through expanded network relationships between sponsorship seekers and corporations (cf. Ring & Van de Ven, 1992). Although most corporate decision-makers were shown to be viewing sponsorship in a more strategic context than was the case even a decade ago, they still admitted that they had no means of accurately evaluating the outcomes of this activity. Nevertheless, it is unlikely that personal contacts alone will generate concrete leads for non-profit marketers unless they also comprehend the competitive forces which shape sponsorship decisions.

In summary, perhaps the most fundamental conclusion that can be drawn from the three papers is the importance of viewing sponsorship as a strategic process. This is true from the perspective of the donor corporation, as well as from that of the recipient organisation. Even though these three studies contribute to a greater understanding of the link between sponsorship and organisational considerations such as environment, strategy and, to a lesser extent, structure, a number of issues arose during the interviews which were not addressed in any great detail in the preceding three chapters. In hindsight, answers to these questions would have provided an even greater comprehension of the nature of corporate sponsorship. Consequently, a number of recommendations for further investigation are worthy of mention here.

Recommendations for future research

There are clearly areas which were beyond the scope of this research project that need to be addressed in greater detail in future research endeavours. Three particular research domains are dealt with here: factors which contribute to the likelihood of NSO sponsorship success; issues that will augment our comprehension of corporate activity in this area; and problems related to interactions between sponsors and recipients.

In order to evaluate the validity of the framework proposed in Chapter 2, it could be subjected to statistical verification. This could be done along similar lines to the studies conducted by Miller and Friesen (1983) and Miller (1987a; 1987b). These studies illustrated that various relationships between organisational strategy making, structure, and environment are useful predictors of success in for-profit corporations. They also suggested that certain configurations are more likely than others to result in superior levels of profitability. Previous investigators of strategy in non-profits have noted the difficulty in defining what represents `success' for these organisations (cf. Drucker, 1990; Hatten, 1982). Thus, in order to apply this type of approach to studying NSOs, a suitable measure of organisational attainment would have to be developed.

Besides verifying the framework developed in Chapter 2, future investigations could also assess how the two primary influences on sponsorship success could be manipulated by NSOs. For example, it will be interesting to study the changes in coverage of non-professional sport resulting from transformations in Canada's broadcast environment which are likely to result from more cable licenses being issued by the Canadian Radio-television and Telecommunications Commission (CRTC), Canada's broadcasting regulator. Similarly, the impact of satellite television channels on sports coverage in Canada will be worthy of future study.

Another area for fruitful research would be an analysis of the likely effects of government incentives (for example, in the form of tax breaks) for corporations which sponsor amateur sport organisations. This would entail an econometric model of the likely effects of such inducements on overall government tax revenues, and on the marginal income that would be received by NSOs. To assist in determining whether such a policy would result in an overall increase in economic welfare, more precise estimates of the `social' (as opposed to `private') benefits of international sporting success and participation in sport would also be valuable (cf. Berrett, 1993; Berrett, Whitson, & Slack, 1993; Gratton & Taylor, 1991). Although it appears unlikely in the current context of government spending cuts, if the net benefits resulting from the public support of sport could be quantified, it is feasible that the sporting community would be able to lobby for a return to greater levels of direct government funding.

However, in the current fiscal environment, there can be little question that NSOs would benefit from additional research which would help them to target their sponsorship proposals more efficiently. As such, a number of issues relating to the corporate side of the sponsorship relationship deserve further study. For example, the relationship between sponsorship and factors such as profitability, revenues, or size of corporations has not been assessed in any detail to date. Furthermore, organisational culture has been shown to affect the implementation of a variety of strategic initiatives within corporations and vice-versa (cf. Meyerson & Martin, 1987; Ouchi & Wilkins, 1985; Schein, 1992). However, the interrelationships between a corporation's culture (or cultures) and its sponsorship activities have not been investigated to date. Similarly, despite evidence that involvement in corporate sponsorship programmes promotes a sense of pride among employees (Pope & Voges, 1994), no substantive attempts have been made to assess the precise effects of these activities on employee motivation.

In addition to investigating the relationship between sponsorship and factors which are largely internal to corporations, there is considerable scope for exploring the impact that external actors might have on sponsorship. In the corporations investigated in this study, specialist sports marketing consultants were shown to have limited influence on the sponsorship decisions. However, the continued operation (and apparent success) of firms such Chris Lang and Associates and the Landmark Group (in Canada) and the International Management Group and ISL Marketing (worldwide), suggests that they have considerable influence in many aspects of sponsorship. An investigation of how these consulting organisations operate and whether they have a significant impact on procuring sponsorship for their clients would also provide useful information for organisations (including many NSOs) which lack expertise in this area.

A rather different area of research which might assist the development of successful marketing programmes is an investigation of various interorganisational networks that occur in sponsorship (cf. Jarillo, 1988; Ring & Van de Ven, 1992). This is because "no organization is totally self-sufficient, rather each must enter into interorganizational relationships with other organizations to secure those resources that it needs and to dispose of its output" (Galaskiewicz, 1979, p.33). Although the possibility of developing deliberate interorganisational linkages was alluded to in Chapter 4, it was not analysed to any great degree. Future research could investigate the implications of developing enduring networks among different sponsors of a team or event with reference to the emerging concept of relationship marketing. In this approach to marketing, attributes such as trust, commitment, honesty and benevolence are seen as important elements in building mutually beneficial long-term relationships among different corporations, and between suppliers and customers (cf. Buttle, 1996).

The application of interorganisational network theory would also provide an alternative lens for viewing the relationship that exists between a sponsor and the recipient of its funding.

To date, this element of sponsorship has been conceptualised as an exchange relationship in which each side participates with the belief that it will benefit from the transaction (cf. McCarville & Copeland, 1994). The results of the current study illustrate that it is advantageous for both the sponsor and recipient to develop a long-term relationship in order to achieve their objectives. Given that this is a central feature of network theory, it seems appropriate that this could provide greater insights into the types of relationship that occur between the recipient and the sponsor (or sponsors).

Finally, it was argued recently that "perhaps the greatest challenge faced by sponsors and those seeking sponsorship support revolves around evaluation" (Copeland, Frisby & McCarville, 1996, p. 45). Although this aspect of sponsorship has not been addressed specifically in this study, the previous chapters have served to highlight that sponsorship is strategic. In order to move towards a better means of measuring the effectiveness of sponsorship, it would be constructive to consider factors which contribute to the successes of other strategic initiatives. For example, with little modification, Porter's (1987) three tests of the effectiveness of corporate level diversification strategy could be applied to sponsorship. The *attractiveness* test could be restated as identifying sponsorship properties which are alluring, or capable of being made attractive in that they are compatible with the corporation's pre-determined organisation-wide strategies. The *cost-of-entry* test would simply be that the cost of acquiring and leveraging a sponsorship must not capitalise future profits. The *better-off* test would be that the corporation (or one of its business units) would be able to gain a competitive advantage from its link with a new sponsorship. One way of measuring the effectiveness of a strategic initiative is the change in share price of an corporation. For example, the endorsement of celebrities has been shown to have a positive effect on a company's share price (Agrawal & Kamakura, 1995). Similar studies on the effects of event or team sponsorships on a firm's stock price might assist in providing it with a means of evaluating their investments.

These examples illustrate that even in an area that has traditionally been the bane of both sponsorship researchers and practitioners, a useful addition to the armoury will be the application of concepts drawn from the strategic management literature. While this chapter might seem to have raised more questions than it has provided answers, it is hoped that the preceding chapters represent a valuable first step toward developing a constructive interdisciplinary exchange between scholars from fields such as marketing, industrial economics, and organisation theory. As if to emphasise this link between strategy and sponsorship, it seems appropriate to reiterate what Varadarajan and Clark (1994, p.103) noted of the study of strategy in general. They argued that an interdisciplinary exchange of ideas, "along with the concurrent attempt to integrate divergent literature streams, can help shed light into inconsistencies and contradictions in various literature".

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APPENDIX A
Research Design and Methodology

The paper-format thesis limits how much can be devoted to a thorough explanation of the research design and methodology within the main body of the text. Therefore, the purpose of this appendix is to provide the reader with more detailed information regarding the selection of the sample organisations, the research team, the interview format, and the analysis of data. In addition, some general methodological issues are highlighted.

The Sample

Chapter 2

The selective sample of thirty-four Canadian National Sport Organisations (NSOs) was devised so as to reflect differences in size, media profile, structure, focus (participatory or high performance sport), season (winter or summer sport), and professionalisation. The researchers (see below) both had previous experience with interviewing individuals who were athletes, volunteers, or professional staff in many of these NSOs. The researchers' broad knowledge of the Canadian sport system was used to determine which NSOs would be approached for inclusion in this study. None of the NSOs which were approached refused to participate.

The professional staff member, or members who were responsible for marketing in these NSOs was determined initially by referring to the Directory of Staff of the Ottawa-based Canadian Sport and Fitness Administration Centre (CSFAC). Once the individual in each NSO who was felt most likely to be accountable for marketing and promotional efforts had been identified, telephone contact was made with that individual to ascertain whether he or she was, in fact, the person responsible for sponsorship programmes. In three NSOs, this telephone conversation indicated that more than one professional staff member had shared responsibility for sponsorship programmes.

Having established who the most suitable person (or people) to interview for the study, an interview schedule was established to coincide with periods of time when the researchers could be in the cities in which the NSO head office was located. In 32 cases, the office was located in Ottawa at the CSFAC. The head offices of two NSOs were situated in other major cities. In the three NSOs in which more than one individual had been selected for interview, it was determined that they would be interviewed together, rather than individually. It was felt that this would enable any conflicting responses from the interviewees to be managed and controlled for during the interview. This was achieved by highlighting any conflicting responses that the interviewees provided, and probing further in order to determine the consensus opinion of the interviewees.

Chapters 3 and 4

The sample of 28 major Canadian-based corporations was devised from two main sources. First, a list of corporations and individuals within those firms who were known by Canadian Sport and Fitness Marketing, Inc. (CSFM) employees to have had some involvement in the sponsorship of Canadian sport was provided to the research team. Since CSFM provided some of the research funds to make this study possible, its staff were involved in the development of a list of suitable corporations and individuals within those firms. It was felt that these executives were likely be predisposed to agreeing to participate, given their previous involvement in sponsorship of Canadian sport. This list was supplemented with corporations and executives from other major Canadian firms which were suggested by the subjects of the interviews in the first study (i.e. NSO staff members). These corporations were supplemented with others which were known to the researchers to have had some involvement in sport sponsorship. While no attempt was made to ensure that the corporations made up a representative sample of Canadian industry, some variety was ensured by sampling from three major metropolitan areas and by selecting firms from a cross-section of industrial sectors. In total, some 30 Canadian corporations were selected from the various sources for inclusion in the study.

As was the case in the NSO portion of the research, the employees responsible for sponsorship programmes in these corporations were initially identified and contacted via telephone calls. In four firms, more than one individual was identified as being responsible for sponsorship programmes. Once the individual(s) responsible for sponsorship had been identified and contacted, the purpose of the study was explained and (if requested) an outline of the types of issues that were being investigated was sent by facsimile to that person. In only two corporations did the executive who was contacted refuse to participate in the study. In each case, the person explained that he or she was not willing to divulge sensitive strategic information which might be leaked to a rival. Despite assurances that normal protocols of confidentiality would be followed, these two individuals did not wish to participate further.

For the remaining 28 corporations, an interview schedule was devised which enabled the researcher(s) to attend face-to-face meetings with the executive (or in four cases, executives) who controlled sponsorship programmes in their corporations. These meetings were held in the corporate offices, thereby enabling the researchers to observe some signs of the type of culture that existed within the sample corporations. In those cases where more than one individual was identified as having responsibility for sponsorship, the scheduling ensured that each of these executives could be present at a 'round-table' type interview. Thus any different interpretations of questions could be dealt with during the interview by probing in greater depth until a consensus had been reached.

General validity and reliability

Interviews with six individuals who acted as agents in the sponsorship industry were also conducted. These agents acted on behalf of corporations, athletes, sport organisations, or event organisers. One purpose of these interviews was to gain a more complete picture of the sponsorship marketplace. A second objective was to provide some corroboration of the reliability of the responses provided by corporate and NSO executives, and thereby to ensure some validity of the results. This was achieved by asking specific questions regarding the agent's perception of the success of sponsorship programmes of a number of the sample corporations and NSOs (as well as other corporations and NSOs, so as not to reveal the identity of participants)

Research Team

The research team comprised the author and his doctoral supervisor. Each of the researchers had extensive previous research experience in conducting interviews with field observations in organisational settings. In the early stages of the study, the researchers met regularly to discuss the nature and extent of questions to be posed during the interviews. Prior to the initial interviews, key aspects of interview protocol (such as guarantee of anonymity) were discussed and an outline of the proposed research project was submitted to the University of Alberta's Faculty of Physical Education and Recreation Ethics Committee which granted its approval of the suggested sampling and analytical techniques.

Both of the researchers were involved in establishing an interview schedule which was suitable for their own calendars and the expected relative levels of involvement of a doctoral student and his advisor. In 14 of the 62 interviews, both researchers attended and posed questions, while in the remaining 48 only one of the researchers was present. In total the author attended 57 interviews and his supervisor participated in 19. The purpose of both researchers attending some of the earlier interviews in the study was to ensure some consistency in how the various topics were covered in the subsequent interviews in which only one of the researchers attended.

During the period of data collection, the researchers collaborated and discussed issues which arose from the interviews. The researchers agreed that some themes which arose in the earlier interviews should be added to the list of prompts for later interviews, but also agreed that such issues would only be raised by the interviewer toward the end of each interview if they had not been mentioned by the participant. For example, it became evident that many NSO requests for sponsorship were timed to coincide with the sport's season, rather than corporate decision-making time-lines, and a prompt regarding this issue was added to the list of points which were raised in subsequent NSO interviews.

The interviews were transcribed by a professional typist and subsequently scrutinised for accuracy against the original tapes. The author checked 58 of the 62 interviews, with the supervisor verifying the accuracy of the remainder. Once the interviews had been transcribed and integrated with documentary data from annual reports, marketing plans and press articles, the development of coding categories and analysis was largely the obligation of the author, although the supervisor was kept informed of the progress of the coding and subsequent analysis of the data. Again, the fact that the author was responsible for coding and analysis reflected the degree of involvement which was expected of an individual involved in doctoral level research.

Data Collection

As is outlined in the brief method section in each of Chapters 2, 3, and 4, the interviews with the study participants (outlined above) lasted between 60 and 90 minutes. The interviews covered a variety of topics relating to the sample organisations' involvement in sponsorship activity. Appendix B outlines the main themes which were covered in the interviews with those responsible for marketing in NSOs, while appendix C outlines the themes which were investigated in the interviews with corporate executives. The interviews conducted with the six sponsorship agents were relatively unstructured, but covered topics such as the state of sponsorship in the Canadian marketplace, the realism of expectations of NSOs and corporations in their sponsorship efforts, and the role of the agent in the sponsorship process.

Each of the corporate and NSO interviews started with the researcher(s) outlining the purposes of the study and ensuring that the participant understood the contents of the informed consent form (appendix D). Having briefly described the nature of the research and rationale that lay behind it, the initial questions asked the interviewee to describe his or her position in the organisation and to outline his or her involvement with sponsorship in the past. Following the opening questions, which were designed to generate some rapport between the participant and the researcher(s), the interviewee was asked to describe his or her organisation's experience with sponsorship in the past and at the present. Throughout the interview, the objective of the researcher(s) was to ensure that the interviewee described his or her organisation's sponsorship efforts and their relationship with broader organisational factors such as strategy and structure. In interviews where the participant did not elaborate on matters which he or she raised, prompts were used from the semi-structured outline (appendices B and C). Each executive was asked about the various factors outlined in appendices B and C during the interview process. General examples of this kind of process can be found in Bernard (1988), Glesne & Peshkin (1992) and Spradley (1979).

In addition to the interviews, the data were supplemented with documentary data (such as marketing plans, press-cuttings, news releases and annual reports) which were either made available by the interviewee, or were gathered subsequent to the interview from sources in the public domain.

Analysis

The transcription of the interviews generated some 1,900 pages of text which formed the basis of the subsequent analysis. These transcripts were supplemented with the additional data which were obtained from the documentary evidence outlined in the previous section in order to generate complete case studies for each of the sixty-two participating organisations.

The analysis of the cases followed a process somewhat similar to that outlined by Strauss (1990). This displayed the distinguishing characteristics of `grounded theory' in that collection and analysis of the data were conducted simultaneously. This was done through developing a series of codes and categories which were derived from the data. These categorisations were augmented with the use of notes to inform the process of developing theoretical insights. Rather than attempting to develop a theory which fully represented the entire population of organisations in each of the two samples, the purpose of the analysis was to draw out theoretical insights which could be used to further understand the sponsorship activities of other organisations.

As is indicated in each of the three papers (Chapters 2-4), the coding of the data resembled the three-stage process outlined by Strauss (1990). First, this involved "open" or unrestricted coding of the data with a view to analysing the information in detail to produce concepts or themes that appeared to fit the facts. The purpose of this level of coding is to "open up the inquiry" (Strauss, 1990, p.29). At this stage, all interpretations of the data are tentative, but the researcher is forced to break the data apart analytically in order to move beyond mere description.

The "open" coding involved an analysis of each interview, noting themes that recurred commonly across the data set. In the NSO data-set, these themes included details of: decision-making surrounding sponsorship, the existence (or otherwise) of a formal sponsorship or marketing strategy, overall planning and strategy, linkages with other groups or organisations which affect sponsorship, conflicts arising from sponsorship, the types of approach that are used in generating sponsorship, the length and type of agreements, definitions of properties available to sponsors, and factors influencing success or failure. This "open" coding of the NSO data produced over fifty files of text (about 600 pages). Examples of these codes included `professional inexperience', `timing of sponsorship requests', `organisational strategy', `marketing strategy' and `time devoted to sponsorship'. In the corporate data-set, the themes derived from "open" coding included details of: objectives and policies regarding sponsorship activity, the types of strategy being pursued at different levels of the corporation, and who was responsible for devising and implementing these strategies. This "open" coding of the corporate data produced some forty files of text (about 500 pages). Examples included `corporate strategy', `marketing strategy', `objectives of sponsorship', `type of activity sponsored', and `decision-making'.

The second stage consisted of "axial" coding in which a more intense analysis of the data was conducted around the major concepts emerging from "open" coding. This involved reanalysing the text files which had been derived in the open coding stage. At this phase, information contained in the documentary data was integrated with that derived from the interviews. The different categories from the open coding phase were related to each other one at a time in order to determine whether there were linkages between any of them. For example, in the NSO data-set, this enabled the researcher to determine the nature of linkages between marketing strategy and organisational strategy, and between professional inexperience and timing of sponsorship requests. In the corporate data-set, a similar process of axial coding enabled the researcher to determine (for example) the extent of coupling between sponsorship strategy and the types of events, teams or programmes sponsored, or linkages between sponsorship strategy and who was responsible for decisions in that area.

The third stage of coding, "selective" coding, was conducted on a subset of the various classifications determined by the axial coding in order to develop core categories which accounted for variations in behaviour in certain areas. Core notions were selected from the axially derived themes, based on their ability to account for variations in behaviour related to sponsorship activity. As suggested by Miles and Huberman (1994), this selective coding was similar to factor-analysis used in quantitative studies. For example, in the analysis of the NSO data (Chapter 2), this process was employed to determine the primary factors which influenced success of sponsorship programmes (i.e., media exposure and participation base). In the analysis of the relationship between organisational strategy and sponsorship behaviour in corporations (Chapter 3), this procedure enabled the researcher to determine strategic influences which accounted for variations in observed sponsorship behaviour (e.g., the type of corporate or business level strategy such as growth, global, or retrenchment). In the investigation of competitive and institutional pressures on sponsorship by corporations (Chapter 4), selective coding highlighted certain factors which exerted an influence on activities in this realm (e.g. first-mover advantage, geographic location, or networks among executives).

Methodological Issues

A number of references are made in the body of the text to the advantages of interviewing as a means of data gathering for a study of this nature. However, the limited space available in each paper did not allow for further explication of the relative merits and problems of this technique for collection of information. Although there were clearly advantages to adopting face-to-face interviewing as a means of data collection for this study, it would be remiss if the possible limitations of this approach were not acknowledged. This section also outlines the limitations that were considered and how they were managed.

Advantages of Interviews

The variety of advantages of using interviews to inquire into organisational phenomena have been highlighted elsewhere (e.g. Mintzberg, 1979; Monette, Sullivan, & DeJong, 1986; Van Maanen, Dabbs & Faulkner, 1982; Van Maanen, 1988). Those benefits that were deemed particularly relevant for this study included the following.

a) Face-to-face interviews ensured that the respondents were motivated to respond to the questions in a thoughtful manner. In fact, one respondent indicated that he would not have responded to a mailed questionnaire-type survey from a student because he had found that he was becoming inundated with such paperwork and often did not see the results. By explaining the nature of the study and assuring the participant that results would be shared (see appendix D), the researchers ensured some degree of commitment on the part of the interviewees to providing accurate and complete responses.

b) Interviewing enabled the researcher(s) to explain questions and probe deeper if unexpected issues arose in responses. This would not have been possible in a questionnaire based study. The free conversational style of the interviews also allowed a certain degree of flexibility in how the responses were elicited. For example if the reasons why a sponsorship had not been continued related to a personality conflict, this could be probed carefully if the individual concerned was still involved with a corporation or sponsored property.

c) By interviewing in-person, the researchers ensured that the correct person responded to questions. Furthermore, the participants were given limited opportunity to consult with documents and other individuals to get what they might perceive to be the "right" answer to questions. For example, if an executive was asked about the existence of a marketing plan, it was clear during the interview if the plan was adhered to, or whether it was merely a document which had been produced and its contents subsequently forgotten about.

d) The fact that the researcher(s) was (were) present during the data-collection stage, allowed the context of responses and reactions to questions to be considered at the analysis stage. For example, in one corporation the issue of politics in decision-making arose, The responded indicated verbally that politics were not involved, but his body language suggested otherwise. Subsequent clarification of the matter through further probing confirmed the suspicion of the interviewer that the respondent was being ironic in his initial response.

E) As a result of having conducted previous research studies of issues affecting NSOs, a number of the NSO staff were known to the researchers. This previous contact resulted in a good rapport having been established prior to this study. In addition, the fact that the researchers had been provided with the names of many of the corporate contacts by the NSO and CSFM staff resulted in their being some degree of credibility.

Limitations of Interviewing

a) The extensive cost involved in conducting face-to-face interviews, and the subsequent transcription of the interviews is often a limitation on this type of research (Monette et al., 1986). Fortunately, grants were secured from a variety of sources (see acknowledgements) which covered the cost of transport, accommodation, telephone costs, and transcription services.

b) There was a protracted period of time (six months) between the initial and the final interviews. This presented a problem because of the changing nature of sponsorship marketplace. However, since the investigation concentrated on strategic issues, which are longer-term, it is argued that this is less of a problem than it would have been if the study concentrated on the specifics of each sponsorship agreement.

c) The slight variations in wording between interviews and different sequencing of questions might have elicited differing responses from participants. A partial attempt was made to circumvent this problem through the use of a checklist which ensured that major subject areas were covered in each interview (see appendix B for NSO prompts and appendix C for corporate prompts).

d) The considerable amount of data generated resulted in some delay in presentation of results after coding and analysis. However given that a total of sixty eight interviews were conducted (i.e. 34 with NSO personnel, 28 with corporate executives, and 6 with agents), this also represented a strength of the research given the nature of the inquiry. There was clearly a trade-off to be made between generating a broader cross-section of organisations and the amount of time between interviews.

e) It is impossible to entirely negate interviewer bias in a study such as this. The interviewers' preconceived notions of which organisations were `successful' in their sponsorship efforts had some bearing on how the sample organisations were selected. However, the use of two interviewers ensured that there was some element of protection from individual bias. As is outlined above, the coding and analysis of the data was conducted by the author, but the co-researcher provided valuable feedback throughout the research study and ensured a certain degree of validity in the interpretation of the data. Given that the participants were guaranteed that the only individuals who would have direct access to their responses were the two researchers (see informed consent form, appendix D), it was not possible to involve more people at the analysis stage. This is a necessary limitation of an interview based study such as this one which revealed proprietary information regarding organisational strategy.

A further means of avoiding potential interviewer bias was the decision to focus the study on sponsorship of organisations, rather than individual athletes. This was because of the author's involvement in sport as an international athlete at the time of the research. It was felt that the author's (albeit limited) quests for corporate sponsorship of his personal athletic endeavours might result in biases in interviewing and interpretation of the data if greater focus was directed toward the nature of corporate sponsorship of individual athletes. However, one of the `sponsors' of the study (CSFM) specifically identified that it wanted information regarding sponsorship of individuals. Although this was not a focus of the study, this issue was raised toward the end of the interviews with corporate executives if it had not arisen earlier without prompting from the interviewer.

Thus, many of the possible pitfalls of using interviews as a data-gathering technique were considered to have been dealt with adequately. While no research method is a perfect means of finding the `truth', it was felt that the method chosen for this study was entirely appropriate given the stated purposes and existing knowledge-base.

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APPENDIX B
NSO Sponsorship Interview Prompts

Background

___ How long have you held your current position in the NSO?

___ What is your background in marketing?

___ What is your background in sport?

___ How do you define sponsorship?

___ What proportion of your time do you spend on seeking or monitoring/implementing/dealing with sponsorship requests/agreements? TO what extent are other individuals within the NSO involved in sponsorship acquisition?

___ What proportion of the total NSO budget is derived from sponsorship?

Decision-Making

___ Who is involved in any decision regarding seeking or servicing sponsorship?

___ Are board members involved in sponsorship decisions?

___ Is the Executive Director (President/CEO) involved in decisions?

___ Does this depend on the amount involved or type of sponsorship (team, event, individual)?

___ Who decides whether a particular sponsorship proposition is "acceptable"?

Agreements

___ How do you define a "successful" agreement?

___ What are your current sponsorship agreements? (value, type, longevity)

___ How do you view sponsorship relationships? (partnership, unequal, etc.)

___ What is your current relationship with television companies? (contract for events, championships: who pays whom?)

___ Are there any conflicts between individual athletes' personal sponsorships and those developed at the NSO level? How are these dealt with?

___ Are there any possible conflicts between NSO sponsorship agreements and those of umbrella sport organizations (e.g., COA, CGAC, IOC etc.)? How are these dealt with?

Attracting Sponsors

___ How committed are you to obtaining new sponsors? How committed do you think other members of you NSO are? (staff members, volunteers)

___ What properties can you offer a potential sponsor?

___ What are the different types of sponsorship package that your NSO can offer potential corporate sponsors?

___ Do you custom-fit proposals to potential sponsors, or send out "generic" requests (tailored or otherwise)?

___ Do you investigate strategies of target corporations prior to approaching them in order to determine which corporations might be more receptive to a sponsorship proposal?

___ How important is compatibility with the potential sponsor's image and target market in deciding which corporations to approach?

___ What level of a corporation do you target your sponsorship requests to? (Head office; Marketing; Regional?)

___ Is there a formal procedure through which any attempt to attract sponsors must go?

___ How many sponsorship requests do you make per year? Can we have copies of requests?

___ When do you present proposals to corporations? (Do you consider their budgeting cycles?)

___ How much time is spent on writing a typical proposal?

___ What are the different stages which you go through from an initial contact to setting an agreement?

___ What is the range / average amount requested?

___ How do you determine how much you will ask for?

___ If a corporation comes back with a lower offer, how flexible can you be? What factors might affect the degree of flexibility?

___ What has been your success rate?

___ Why do you think you have been successful?

___ Why do you think you have failed in the past?

___ Under what conditions would you not pursue a corporation for sponsorship, even if that corporation was interested in sponsoring your NSO?

___ To what extent are you interested in attracting cash, or contra, or other forms of support?

___ How much control are you willing to give to a potential sponsor?

___ Is TV coverage important in your attempts to attract more sponsorship?

___ If TV coverage is important in attracting sponsorship, what steps are being taken to ensure increased TV exposure of your sport?

Strategy

___ How would you describe your NSO's long-term strategy toward obtaining corporate sponsorship?

___ How has this strategic approach been determined (by whom?, when?, changes?)?

___ When presenting a proposal to a corporation, is your presentation based on a standard format?

Assessment

___ How do you evaluate sponsorships?

___ Do you keep a data-bank of potential sponsors?

___ Do you track media coverage of your sport?

___ What do you provide for sponsors which might assist in their evaluation of sponsorship agreements?

___ How do you track the progress of a sponsorship agreement?

APPENDIX C
Corporate Sponsorship Interview Prompts

Background Information

___ How do you define sponsorship?

___ Do you have any background in sport? Level attained?

___ What was the total amount your corporation spent on sponsorship last year, and how was this broken down by different type of recipient (e.g., arts, professional sports, amateur sports, other)?

___ From which departmental budget(s) does sponsorship expenditure come? (marketing, PR, HR, etc.)

___ What proportion of total marketing/PR/HR budget is spent on sponsorship?

___ How have these amounts changed over the past 5 and 10 years and why?

___ Do you envisage significant changes in these amounts over the next 5 years?

___ Do you sponsor different activities for different reasons? If so, what are the reasons?

___ How are sponsorship programs integrated with other forms of promotion activity?

Formalization of Sponsorship Decisions

___ Do you have formal or informal objectives for your sponsorship program? If you have formal criteria, can we have a copy?

___ If you do not have formal objectives, why is this the case?

___ Do you have policies to guide sponsorship decisions? Where do these policies come from - corporate or departmental levels?

Decision-Making

___ Where (in the corporation) and how are decisions about sponsorship? What kinds of screening process exist for sponsorship requests?

___ What levels of the corporation are involved in sponsorship? (International, national, regional, provincial, local / franchise)

___ Is there any attempt to coordinate sponsorships carried out at different levels?

___ If the company is not Canadian owned (& particularly if it is US owned), is there any way in which sponsorship decisions in Canada are linked to those of the parent company?

___ Which people are involved in the decision-making process?

___ Does this vary depending on the type of activity or amount, or both?

___ Who has final approval for sponsorship decisions?

___ What are the politics involved in sponsorship decisions?

___ Are the politics of the sponsorship decision-making process different from decision-making for other aspects of the marketing/PR budget? How?

___ Is there a "chairman's wife syndrome"?

___ Do you use the services of an external consultant or agency in arranging sponsorship at any stage in negotiations? Details?

About Sponsorship Agreements

___ How many sponsorship requests do you get per year?

___ How are these initiated?

___ What is the variation in the amount or type of support requested? ($, contra, other resources)

___ How realistic are amateur sport organizations in their requests for sponsorship?

___ Are you interested in straight cash deals, or ones involving contra-barter/combination deals?

___ How are sponsorship requests initiated?

___ How are they dealt with?

___ Does this vary according to amount requested, type of organization seeking sponsorship, scope of sponsorship (international, national, regional)?

___ What length of time do you tend to commit to a given sponsorship?

___ What is the variation in length of commitment your company has experienced?

___ Have you had an historical association with any particular sport organization? If so, how does this affect current dealings with that organization?

___ Do you consider future potential of a sport in your current agreements? (e.g., women's hockey becoming an Olympic sport)

___ How do you leverage your sponsorship agreements? (Ratio; Other promotions; etc.)

___ After agreeing to a sponsorship, what do expect out of the other party and what type of relationship do you pursue with them?

___ Is exclusivity important to you?

___ Ideally, what kind of input would you wish to have in a sponsorship agreement?

___ Ideally, what kind of input would you expect a sponsored sport organization to have?

___ Is the agreement formally contractualized, or is there some leeway to learn-as-you-go?

___ What kind of control do you expect to have over a sponsored organization?

Rationale

___ Why do you get involved in different types of sponsorship?
e.g. corporate social responsibility; image; media; product promotion; employee relations; entertainment.

___ How important is media exposure to your company objectives?

___ Is "title sponsorship" important to you?

___ Why do you get involved in sponsorship of "amateur" sport?

___ Is mass participation in a sport a key element in your decision-making?

___ Is a sport's level of international competitiveness a key factor?

___ Do you use sponsorship as a means to accessing membership details of sport organizations and creating a database?

___ If I were a marketing director in a NSO, what would be my best means of securing a sponsorship from your corporation?

Sponsorship and Strategy

___ Does what your competitors are doing in this area affect your decisions regarding extent of sponsorship? (e.g. oil companies, breweries, etc.)

___ Is sponsorship tied formally or otherwise to corporate marketing strategy? How?

___ How does sponsorship fit with overall corporate strategy?

___ Is there a deliberate attempt to make this link? If so, who is responsible for the linkage?

___ Is there any attempt to gain ownership of the properties sponsored? (i.e., as part of a diversification strategy)

Evaluation

___ Do you evaluate sponsorship? Do you measure media exposure, change in awareness, change in sales? How?

___ How do you measure the cost-effectiveness of sponsorship?

___ What do expect to get out of sponsorship (feedback, recognition, sales, ...)?

___ If so, how? If not, why not?

___ Do you have any form of follow up arrangements after the completion of sponsorship projects?

___ Who do these involve (recipient, clients, market researchers, ...)?

___ What factors influence whether or not you decide to continue a sponsorship or to terminate, or modify the arrangement?

___ Do you expect sport organizations to provide assistance in evaluation of sponsorship?

Sponsorship of Individuals

___ Have you ever sponsored individual athletes?

___ If [yes] to above: what do you look for when deciding to sponsor an individual athlete?

___ If [no] to above: why not?

___ Does your corporation have a policy regarding sponsorship of individuals?

APPENDIX D

Informed Consent for Participation in the Research Project: "Corporate Sponsorship in Canada's National Sport Organizations"

I, ________________________, agree to participate in the research project conducted by Dr. Trevor Slack and Tim Berrett to describe and analyse the nature of corporate sponsorship of Canada's National Sport Organizations (NSOs). The research involves the analysis of factors which contribute to the success of corporate sponsorship agreements, the decision-making processes surrounding such agreements, and the evaluation of such agreements. To accomplish this task, the researchers will conduct interviews with key personnel in corporations and NSOs, and perform a content analysis of documents pertaining to corporate sponsorship of Canadian NSOs.

1. I understand that I may withdraw from the study at any time without prejudice.

2. My identity will not be disclosed during my participation in the study or in any published results of the study.

3. I understand that should I have any questions related to any part of my participation in this project, my questions will be answered fully and to my total satisfaction by either of the principal investigators.

4. I understand that I will not receive any direct benefits from my participation in this study. If requested by the corporation/NSO, results of the research will be made available to the organization.

SUBJECT

Name:________________________ (please print)

Signature:________________________

Date:________________________

Witness:________________________

PRINCIPAL INVESTIGATORS

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Signature:____________________

Date:________________________